



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2019/06/670)

26th July, 2019

**Notice under Section 6 (2) of the Competition Act, 2002 filed by Sundaram Finance
Limited**

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 28th June, 2019, the Competition Commission of India (**Commission**) received a notice under Section 6(2) of the Competition Act, 2002 (**Act**) filed by Sundaram Finance Limited (**SFL/Acquirer**) relating to its proposed acquisition of 49.9% equity shareholding in Sundaram BNP Paribas Home Finance Limited (**SHFL/Target**) from BNP Paribas Personal Finance SA (**BNPP**) (**Proposed Combination**). The notice was filed pursuant to the Share Purchase Agreement (**SPA**) dated 21st June, 2019 executed *inter alia* between SFL and BNPP.
2. The Commission issued letters dated 4th July, 2019 and 15th July, 2019, under Regulation 14 of the Competition Commission of India (Procedure in regard to transaction of business relating to combinations) Regulations, 2011 (**Combination**



- Regulations**), to the Acquirer, whereunder it was required to furnish certain information. In response, the Acquirer filed its written submissions on 9th July, 2019 and on 18th July, 2019, respectively.
3. SFL is a deposit-taking NBFC registered with the RBI. It is primarily engaged in financing purchase of commercial vehicles, cars, construction equipment and tractors. It accepts fixed deposits from public and also distributes a wide array of financial services/products. SFL is also stated to have presence in mutual funds, housing finance, general insurance and business process outsourcing, through its subsidiaries, associates and joint ventures.
 4. SHFL is a joint venture between the Acquirer and BNPP. It is a Housing Finance Company registered with National Housing Bank. It offers a range of housing finance products including home loans, home extension loans, home improvement loans, loans to buy land and loan against mortgage of property. It also accepts fixed deposits from public.
 5. The Acquirer presently holds 50.1 % of the equity shares in SHFL. However, as a result of the Proposed Combination, SHFL would become a wholly owned subsidiary of SFL.
 6. It is observed that SFL is not engaged in housing finance business in India except through SHFL. SFL distributes financial products including housing finance. Such distribution activity of SFL is vertically placed to the housing finance business of SHFL. However, the value of housing finance products, distributed by SFL, for other financial institutions has not been significant to raise any competition concern.
 7. 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



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Commission is of the opinion that the proposed combination is not likely to have an appreciable adverse effect on competition in India.

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