



**COMPETITION COMMISSION OF INDIA**  
(Combination Registration No. C-2019/10/698)

14<sup>th</sup> November, 2019

**Notice under Section 6(2) of the Competition Act, 2002 jointly filed by BNP Paribas Asset Management India Private Limited; BNP Paribas Trustee India Private Limited; Baroda Asset Management India Limited; and Baroda Trustee India 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 21<sup>th</sup> October, 2019, the Competition Commission of India (**Commission**) received a notice (**Notice**) under Section 6(2) of the Competition Act, 2002 (**Act**), jointly filed by BNP Paribas Asset Management India Private Limited (**BNP AMC**); BNP Paribas Trustee India Private Limited (**BNP TC**); Baroda Asset Management India Limited (**BOB AMC**); and Baroda Trustee India Limited (**BOB TC**). The Notice has been given pursuant to the execution of the Implementation Agreement<sup>1</sup>, AMC Shareholders' Agreement<sup>2</sup> and the TC Shareholders' Agreement<sup>3</sup>. BNP AMC, BNP TC, BOB AMC and BOB TC are collectively referred to as the **Parties**.

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<sup>1</sup> Executed between BNP AM Asia, BNP AMC, BNP TC, BOB AMC, BOB TC and BOB

<sup>2</sup> Executed between BNP AM Asia, BOB and BNP AMC

<sup>3</sup> Executed between BNP AM Asia, BOB and BOB TC



2. BOB AMC and BOB TC are wholly owned by Bank of Baroda (**BOB**). Similarly, BNP AMC and BNP TC are wholly owned by BNP Paribas Asset Management Asia Ltd. (**BNP AM Asia**).
3. The Commission *vide* letter dated 25<sup>th</sup> October, 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 Parties to remove defects in the Notice and furnish certain information. In response, the Parties filed their submissions on 4<sup>th</sup> November, 2019 and 7<sup>th</sup> November, 2019.
4. The Proposed Combination relates to merger of: (a) BOB AMC into BNP AMC such that BNP AMC will be the surviving entity; and (b) BNP TC into BOB TC such that BOB TC will be the surviving entity. Post the Proposed Combination, 50.1% of the shares capital of BNP AMC will be held by BOB and the remaining by BNP AM Asia. Similarly, 50.7% of the shares capital of BOB TC by BOB and the remaining will be held by BNP AM Asia.
5. BNP AMC and BNP TC are the asset management company and trustee company of BNP Paribas Mutual Fund. Apart from the asset management, BNP AMC is also engaged in portfolio management services and advisory activities. BOB AMC and BOB TC are the asset management company and trustee company of Baroda Mutual Fund.
6. It is observed that BOB, which owns BOB AMC and BOB TC, has 18.24% shareholding in UTI Asset Management Company Limited (**UTI AMC**) and 18.50% shareholding in UTI Trustee Company Private Limited (**UTI TC**). UTI AMC and UTI TC are the asset management company and trustee company of UTI Mutual Fund. The said UTI entities are also engaged in similar business as that of Parties to the Proposed Combination *i.e.* mutual fund. UTI AMC also provides portfolio management services.
7. It is further observed that BNP Paribas Group holds 100% shareholding of Sharekhan Limited (**Sharekhan**) that is *inter alia* engaged in distribution of mutual funds. BOB is also engaged in distribution of mutual funds.



8. The activities of the Parties and their affiliates are similar in the domain of provision of mutual funds, in India. However, their combined and incremental market shares in the mutual fund business is not significant. Similar is the case, even if one were to segment mutual funds into equity oriented mutual funds, debt oriented mutual funds and hybrid mutual funds.
9. Further, affiliates of BOB and BNP Group are engaged in the business of portfolio management service (**PMS**). PMS involves management of investments in stocks, fixed income, debt, cash, structured products and other securities, on behalf of clients. PMS may be classified into narrower categories based on the extent of mandate given to the portfolio manager *viz.* discretionary PMS, non-Discretionary PMS and advisory PMS and/or the nature of investment instrument such as equity, debt and derivatives. It is observed that the incremental market share as a result of the Proposed Combination is not significant in the overall business for PMS or in any of its narrower segments.
10. The mutual fund business of the Parties and distribution activities of Sharekhan and BOB are placed at different levels of the supply chain. However, the market shares of Sharekhan and BOB in distribution of mutual funds in India is not significant. This segment is also characterised by presence of several other players such as HDFC Bank, State Bank of India, NJ IndiaInvest, Axis Bank and ICICI Bank.
11. Considering the material on record including the 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. However, the Commission notes that business scope of non-compete covenants, as envisaged in transaction documents/agreements, is not ancillary to the Proposed Combination.
12. This order shall stand revoked if, at any time, information provided by Parties is found to be incorrect.



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13. The Secretary is directed to communicate to the Parties, accordingly.