



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2018/01/543)

15th January, 2018

Notice under Section 6 (2) of the Competition Act, 2002 filed by Principal International India Limited.

CORAM:

Mr.Devender Kumar Sikri
Chairperson

Mr. Sudhir Mital
Member

Mr. Augustine Peter
Member

Mr. U.C. Nahta
Member

G. P. Mittal
Member

Authorised Representative: Principal Consulting (India) Private Limited

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

1. On 2nd January, 2018, the Competition Commission of India received a notice filed by Principal International India Limited (“Principal”/“Acquirer”) under sub-section 2 of Section 6 of the Competition Act, 2002 (“Act”) pursuant to: (a) Share Purchase Agreement dated 19th December, 2017 entered into and amongst Principal, Principal Financial Group (Mauritius)



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Limited (“**PFGM**”), Punjab National Bank (“**PNB**”) and Principal Pnb Asset Management Company Private Limited (“**Target AMC**”); (b) Share Purchase Agreement dated 19th December, 2017 entered into and amongst Principal, PFGM, PNB and Principal Trustee Company Private Limited (“**Target Trustee**”) (hereinafter, Principal, Target AMC, Target Trustee, and sponsorship, trusteeship and management of the Principal Mutual Fund (“**Target MF**”) are collectively referred to as “**Parties**”).

2. At the time of filing of notice, Acquirer gave an undertaking to provide certain information which was not available in the notice; the Acquirer submitted the same on 08th January, 2018.

3. The proposed combination relates to acquisition of 21.38 percent and 30 percent of the equity share capital of Target AMC and Target Trustee, respectively by the Acquirer from PNB.

4. Principal, an investment company, is a wholly owned subsidiary of Principal Financial Services Asia Limited, which is a subsidiary of Principal Financial Services Inc., USA (“**PFSI**”), an entity belonging to Principal Financial Group of United States of America (“**Principal Financial Group**”). Principal Financial Group is the sponsor of the Target MF. It is stated that PFGM, a subsidiary of PFSI, already owns 78.62 percent and 70 percent of the equity share capital of the Target AMC and of Target Trustee respectively.

5. Target AMC, a private limited company, is a joint venture between PFGM (78.62 percent) and PNB (21.38 percent). It is asset management company of the Target MF and registered with the Securities and Exchange Board of India.

6. Target Trustee, a private limited company, is a joint venture between PFGM (70 percent) and PNB (30 percent), and provides trustee services to the Target MF.

7. The Commission observed that Target AMC and Target Trustee are under the joint control of Principal Financial Group and PNB. Post the proposed combination, the ownership and control of Target AMC, Target Trustee Company and Target MF will be under the sole control of Principal Financial Group, through its group companies. The Commission also observed that there will not be any change in market dynamics as a result of proposed combination.



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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.
9. This order shall stand revoked if, at any time, the information provided by the Parties is found to be incorrect.
10. The information provided by the parties 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.