



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2020/12/791)

20th January 2021

Notice under Section 6(2) of the Competition Act, 2002 given by India Opportunities Investments Singapore Pte. Ltd.

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 1st December 2020, the Competition Commission of India ('**Commission**') received a notice under Section 6(2) of the Competition Act, 2002 ('**Act**') given by India Opportunities Investments Singapore Pte. Ltd. ('**IOISPL**'/'**Acquirer**'). The notice was given pursuant to Resolution Plan submitted by the Acquirer dated 17th October 2020, which was subsequently revised on 17th November 2020.
2. The proposed combination relates to the acquisition of 100% equity share capital of the Dewan Housing Finance Corporation Limited ('**DHFL**'/'**Target**') ('**Proposed Combination**') by the Acquirer through the Corporate Insolvency Resolution Process ('**CIRP**') under the Insolvency and Bankruptcy Code, 2016 ('**IBC**'). [Hereinafter, Acquirer and Target are collectively referred to as '**Parties**'.]



3. Since the notice was incomplete, in terms of Regulation 14(3) of the Competition Commission of India (Procedure in regard to transaction of business relating to combinations) Regulations, 2011 (**‘Combination Regulations’**), certain information/clarifications, *inter alia*, relating to the transaction and market shares were sought from the Acquirer *vide* communication dated 17th December 2020. The Acquirer submitted the response on 22nd December 2020. Since, the response submitted was not complete, the Commission again *vide* its letter dated 30th December 2020 asked the Acquirer to submit complete information. The complete response was submitted on 1st January 2021.
4. IOISPL is a private limited company incorporated in Singapore in 2019. It is a wholly-owned subsidiary of funds advised and managed by Oaktree Group. Oaktree Group is a leading global alternative investment management firm with expertise in credit strategies.
5. DHFL, a public limited company, is a deposit-taking non-banking financial company (**‘NBFC’**) and a housing finance corporation registered with the National Housing Board (**‘NHB’**). It is headquartered in Mumbai and has branches in various cities across India. It was submitted in the notice that DHFL is engaged in the provision of:
 - a) Wholesale loans/assets - such as construction finance, slum rehabilitation project loans, and corporate loans.
 - b) Retail loans/assets - such as housing loans, small and medium enterprises (**‘SMEs’**) loans, and loans against property (**‘LAP’**) in India.
 - c) Other assets - such as fixed assets; inter-corporate deposits and pass through certificates; investments and unsecured loans; and cash and bank balances.
6. DHFL has four wholly-owned subsidiaries in India, namely (i) DHFL Advisory & Investments Private Limited (**‘DAIPL’**), (ii) DHFL Investments Limited (**‘DIL’**), (iii) DHFL Changing Lives Foundation (**‘DCLF’**), and (iv) DHFL Holdings Limited (**‘DHL’**). Further, DIL also has an associate company, namely DHFL Ventures Trustee



Company Private Limited ('DVTCP') and a joint venture, namely Pramerica Life Insurance Limited ('Pramerica').

7. It is submitted that there are no horizontal overlaps between IOISPL and the Oaktree Group on one side and DHFL on the other. However, the Parties have provided a competition assessment with respect to the overlaps between DHFL and Indostar Capital Finance Limited ('Indostar'), an investee company of Brookfield Group. Brookfield Group, a global alternative asset manager, is a non-controlling investor in one of the entities of the Oaktree Group.
8. With respect to horizontal overlap between DHFL and Indostar, it was noted based on the submission of the Acquirer, that their activities overlap in the broader business segment of provision of loans and lending services. At a narrower level, these entities exhibit overlaps in the sub-segments of retail loans and wholesale loans. In the sub-segment of retail loans, these entities exhibit overlaps in (a) housing loans, (b) LAP and (c) SMEs loans. In the sub-segment of wholesale loans, these entities exhibit overlaps in (a) project finance and (b) corporate loans.
9. The Commission decided to leave the delineation of the relevant market open as it was observed that the Proposed Combination is not likely to cause an appreciable adverse effect on competition in any of the relevant markets.
10. The Commission noted that either the combined market share of DHFL and Indostar was in the range of [0-5]% or the incremental market share was insignificant in each of the segments/sub-segments.
11. With regards to vertical overlaps, it is submitted that IOISPL/Oaktree Group and Brookfield Group (including Indostar) do not have any existing or potential vertical relationships with the Target.



12. Considering the material on record including the details provided in the Notice and the assessment of the Proposed Combination based on the 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.
13. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.
14. The information provided by the Acquirer shall be treated as confidential in terms of and subject to provisions of Section 57 of the Act.
15. The Secretary is directed to communicate to the Acquirer accordingly.