

SUMMARY OF THE PROPOSED COMBINATION

Summary under Regulation 13 (1A) of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 (as amended)

A. Parties to the combination

1. The parties to the combination are:
 - (i) HSBC Asset Management (India) Private Limited (“**HSBC AMC / Acquirer**”);
 - (ii) L&T Investment Management Limited (“**L&T AMC / Target**”); and
 - (iii) L&T Finance Holdings Limited (“**L&T Sponsor / Seller**”).

B. Nature and purpose of the combination

2. The proposed transaction relates to the acquisition by HSBC AMC and its nominees of 100% share capital of L&T AMC, from L&T Sponsor and its nominees. Simultaneously, there will be a change in the sponsorship, trusteeship, management and administration of the L&T Mutual Fund schemes (“**L&T MF**”) managed by L&T AMC, whereby the L&T MF schemes will be managed and operated by HSBC AMC and the HSBC Trustee shall be appointed as the trustee of the L&T MF (“**Proposed Transaction**”). Pursuant to the Proposed Transaction, the L&T MF will comprise part of and be considered to form an integral part of the HSBC Mutual Fund schemes (“**HSBC MF**”).
3. The Proposed Transaction is in the nature of an acquisition of shares under Section 5(a)(i)(A) of the Competition Act, 2002.

C. Area of activity of the Parties to the Proposed Transaction

I. HSBC AMC / Acquirer

4. HSBC AMC is the asset management entity for operating the day-to-day functioning of HSBC MF. It is responsible for managing investments of money pooled-in through investments in HSBC MF. HSBC AMC is a wholly-owned indirect subsidiary of HSBC Holdings plc (“**HSBC Group**”) and belongs to the HSBC Group of companies.

II. L&T AMC / Target

5. L&T AMC is the asset management entity for operating the day-to-day functioning of L&T MF. It is responsible for managing investment of money pooled-in through investments made in L&T MF. L&T AMC is a wholly-owned subsidiary of L&T Sponsor / the Seller.

D. Respective Markets in which the parties to the combination operate

6. It is submitted that the exact definition of the relevant market may be left open as the Proposed Transaction does not give rise to any competition concern irrespective of the manner in which the market is defined. However, in line with the decisional practice of the Hon'ble Competition Commission of India and to aid its assessment of the Proposed Transaction and consistent with the previous decisions of the Hon'ble Commission, the relevant markets may be defined as: (i) the upstream 'market for mutual funds in India'; and (ii) the downstream 'market for distribution of mutual funds in India'.
7. For completeness, in order to assist the Hon'ble Commission in its assessment of the Proposed Transaction, the Parties have also considered narrower segments for the (upstream) mutual funds market in India for:
 - (a) Equity oriented mutual funds schemes in India;
 - (b) Debt oriented mutual funds schemes in India; and
 - (c) Hybrid mutual funds schemes in India.
