



## COMPETITION COMMISSION OF INDIA

(Combination Registration No. C-2014/02/151)

05.03.2014

Notice u/s 6 (2) of the Competition Act, 2002 given by:

- Omega TC Holdings Pte. Ltd. and Tata Capital Financial Services Limited

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

1. On 6<sup>th</sup> February, 2014, the Competition Commission of India (hereinafter referred to as the “**Commission**”) received a notice under sub-section (2) of Section 6 of the Competition Act, 2002 given by Omega TC Holdings Pte. Ltd. (hereinafter referred to as “**Omega**”) and Tata Capital Financial Services Limited (hereinafter referred to as “**TCFSL**”) (Omega and TCFSL are collectively hereinafter referred to as the “**Acquirers**”).
2. In terms of Regulation 14 of the Competition Commission of India (Procedure in regard to transaction of business relating to combinations) Regulations, 2011 (“**Combination Regulations**”), vide letter dated 12<sup>th</sup> February, 2014, the Acquirers were required to remove defects and furnish certain information/document(s) regarding the notice, by 21<sup>st</sup> February, 2014. The response to the same was received on 21<sup>st</sup> February, 2014.
3. The notice was filed pursuant to the execution of a share subscription agreement (“**SSA**”) and a shareholders agreement (“**SHA**”) between Omega, TCFSL, Varroc Engineering Private Limited (hereinafter referred to as “**VEPL**”) and the promoters of VEPL, both executed on 24<sup>th</sup> January 2014.
4. It has been stated in the notice that the proposed combination involves acquisition of a certain number of equity and compulsory convertible preference shares (CCPS) by Omega and TCFSL. As per the notice, prior to and after the conversion of CCPS, the likely shareholding of the Acquirers in



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VEPL would be in the range of nine to fifteen percent of the equity share capital of VEPL.

5. The proposed combination falls under Section 5(a) of the Act.
6. Omega, a company registered under the laws of Singapore, is an investment holding company. It is a subsidiary of Tata Opportunities Fund LP, an offshore private equity fund registered as a company under the laws of Singapore. As per the notice, it is affiliated to and advised by Tata Capital Limited (“TCL”), which is a subsidiary of Tata Sons Limited and is registered with Reserve Bank of India (“RBI”) as non deposit accepting core investment company.
7. TCFSL, a company incorporated under the Companies Act, 1956 and a subsidiary of TCL, is a Non Banking Financial Company registered with the RBI.
8. VEPL, a company incorporated under the Companies Act, 1956, is engaged in the manufacture and marketing of auto components. As per the notice and other documents filed on record, VEPL and its subsidiaries are engaged in the business of manufacturing, marketing, sale and distribution of automotive components, broadly falling into three categories of polymers, electrical and metallic components.
9. As stated above, VEPL is engaged in the business of auto components, whereas Omega and TCFSL are engaged in the business of investment and financial services respectively and are not directly engaged in the business of auto components. However, as stated in the notice and other documents on record, the ultimate parent company of TCFSL and other companies belonging to the Tata group, together with other individuals, hold the entire share capital of Tata Auto Comp Systems Limited (TACO), which is also an auto component manufacturer. According to the notice, some of the products



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of TACO may be regarded as similar / identical to the products manufactured by Varroc Polymers Private Limited (“**VPPL**”), a company which belongs to the promoters of VEPL. Further, as stated in the notice, Tata Motors Limited (**Tata Motors**), a company belonging to the Tata group and engaged in the manufacture of automobiles, also procures some auto components from the subsidiaries of VEPL.

10. The auto component sector in India is characterized by the presence of a large number of manufacturers and as per the details provided in the notice, it is observed that in respect of the identical / similar products between TACO and VPPL, the market share of VPPL is insignificant. Further, regarding the auto components which are procured by Tata Motors from the subsidiaries of VEPL, it is noted that the quantum of sales of the subsidiaries of VEPL to TACO is relatively small and that there are other enterprises producing similar auto components with significant market shares in India.
11. Considering the facts on record and the details provided in the notice given under sub-section (2) of Section 6 of the Act and the 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 an 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.
12. This order shall stand revoked if, at any time, the information provided by the Acquirers is found to be incorrect.
13. The Secretary is directed to communicate to the Acquirers accordingly.

(Ashok Chawla)  
Chairperson



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(Anurag Goel)  
Member

(M. L. Tayal)  
Member

(S.L. Bunker)  
Member