



30.11.2015

**Notice under Section 6 (2) of the Competition Act, 2002 (“Act”) given by Ceres Hotels Private Limited.**

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

1. On 08.10.2015, Ceres Hotels Private Limited (“Acquirer” or “Ceres”) filed a notice under sub-section (2) of Section 6 of the Act in relation to the proposed acquisition of, The Leela, Goa (“Target”), a hotel owned by Hotel Leelaventure Limited (“HLVL” or “Seller”) pursuant to the execution of a Business Transfer Agreement (“BTA”) signed between Ceres, HLVL and MetTube International Pte. Ltd. (Singapore) (“MetTube”) on 19.09.2015. Hereinafter, Ceres and HLVL are collectively referred to as the “Parties”.
2. As per the notice, the combination relates to the acquisition of the Target, which is a 5 star deluxe luxury hotel on a going concern basis, by way of a slump sale. Other agreements beside the BTA that facilitate the proposed combination are “Agreement to Sell” and “Promoter Undertaking”, executed on 19.09.2015, and a proposed “Hotel Operation and Management Services Agreement” (“HMA”). It may be noted that while the ownership of the said hotel is being transferred to Ceres, the operations of the said hotel would still be managed by HLVL under HMA. Further, HLVL has granted a sub license to Ceres to continue use the brand name “Leela”. (“Proposed Combination”).
3. The Proposed Combination falls under section 5(a) of the Act.
4. In terms of Regulation 14 of Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 (‘Combination Regulations’) vide letter dated 21.10.2015, parties were required to remove certain defects and provide information/document(s) by 27.10.2015. The Acquirer submitted the response on 28.10.2015 after seeking an extension. Further, on 26.11.2015, the Acquirer made certain voluntary submissions.
5. HLVL is a company incorporated under the provisions of the Companies Act, 1956 and is listed on the BSE Ltd. and the National Stock Exchange of India Ltd. It is a part of the Leela group of companies. It is engaged in owning hotels, managing hotels and providing hospitality services. Currently, HLVL owns and operates six luxury hotels



**COMPETITION COMMISSION OF INDIA**

(Combination Registration No. C-2015/10/321)



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besides managing two other luxury hotels in India. The Target is a 5 Star Deluxe luxury hotel in Goa, India.

6. Ceres, a private limited company incorporated on 28.01.2015 in India under the provisions of the Companies Act, 2013, is a special purpose vehicle incorporated/created for the purposes of the proposed combination. Ceres is a newly incorporated entity and is not engaged in any business activities at present either within or outside India. It is an indirect wholly owned subsidiary of Metdist S.A. Ceres and MetTube both belong to the Metdist group of companies.
7. It is noted from the information provided in the notice that neither Ceres itself nor any of its parent entities are engaged in the hospitality sector in India or overseas. Thus, there is neither any horizontal overlap nor any vertical relationship between the Parties.
8. Considering the facts on record and the 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 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.
9. This order shall stand revoked if, at any time, the information provided by the Parties is found to be incorrect.
10. The Secretary is directed to communicate to the Parties accordingly.