



**COMPETITION COMMISSION OF INDIA**

(Combination Registration No. C-2016/03/383)



*Fair Competition  
For Greater Good*

01.06.2016

**Notice under Section 6 (2) of the Competition Act, 2002 given by  
Tianjin Tianhai Investment Company Limited and GCL Acquisition Inc.**

**CORAM:**

Mr. Devender Kumar Sikri  
Chairperson

Mr. S.L. Bunker  
Member

Mr. Sudhir Mital  
Member

Mr. U.C. Nahta  
Member

Mr. M. S. Sahoo  
Member

Mr. G.P. Mittal  
Member

**Legal Representative:** Shardul Amarchand Mangaldas & Co.

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

1. On 18.03.2016, the Competition Commission of India (“**Commission**”) received a notice given by Tianjin Tianhai Investment Company Limited (“**TTIC**”) and GCL Acquisition Inc. (“**GCL**”) (hereinafter TTIC and GCL together are referred to as “**Acquirers**”) under sub-section (2) of Section 6 of the Act, pursuant to the execution of a ‘Agreement and Plan of Merger’ dated 17.02.2016 (“**Agreement**”) between Acquirers and Ingram Micro Inc. (“**Ingram**” / “**Target**”). Hereinafter, TTIC, GCL and Ingram collectively are referred to as “**Parties**”.
2. As stated in the notice, the proposed combination relates to the acquisition of more than 50% shares<sup>1</sup> in Ingram by TTIC and GCL, whereby GCL will merge with and into Ingram, with

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<sup>1</sup> As stated in the notice, the exact percentage of ownership over Ingram is yet to be determined as (a) HNA might also hold a direct interest, and (b) minority investors might hold small, non-controlling interests. As further stated in the notice, HNA intends to acquire a majority of shares and sole control over Ingram by way of proposed combination.



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latter being the surviving entity (“**Proposed Combination**”)<sup>2</sup>. It has been stated in the notice that GCL is a wholly owned subsidiary of TTIC and TTIC is controlled by HNA Group Company Limited (“**HNA**”). Therefore, after the proposed combination, Ingram will become a wholly owned subsidiary of TTIC and will come under the control of HNA.

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, vide letter dated 26.04.2016, the Acquirers were required to furnish certain information by 29.04.2016, which was submitted on 03.05.2016 after seeking extension of time.
5. HNA, a company existing under the laws of the People's Republic of China (“**PRC**”), is stated to be engaged in the businesses of aviation, real estate, financial services, tourism and logistics, among others.
6. TTIC, a joint stock company existing under the laws of PRC, is listed on Shanghai Stock Exchange. It is a subsidiary of HNA and provides shipping (marine transportation) services through five China-South Korea shipping routes and three domestic shipping routes within China. As stated in the notice, TTIC is controlled by HNA.
7. GCL, a newly incorporated company under the laws of Delaware (USA), is a wholly owned subsidiary of TTIC and is not engaged in any business activity.
8. As per the information provided in the notice, the Acquirers and HNA are not engaged in any business activity in India and have no presence in India.
9. Ingram, a company incorporated in Delaware (USA) and listed on New York Stock Exchange, is stated to be active globally in distribution and related services of information technology (“**IT**”) products and other electronic products. Ingram is stated to be present in India through its four wholly-owned subsidiaries namely, Ingram Micro India Private Ltd., Brightpoint India Private Ltd., Ingram Micro India SSC Ltd. and Surajami Investments & Trading Company Ltd. In India, Ingram is engaged in the business of wholesale distribution services of IT products, consumer electronics, mobility products and related services (IT support services to entities within Ingram Micro group).
10. As stated in the notice, there is no horizontal overlap between the activities of the Parties as none among TTIC, GCL and HNA is engaged in the wholesale distribution of electronic

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<sup>2</sup> It has been stated in the notice that separately, in a distinct & unrelated transaction, Ingram is proposing to acquire Ensim Corporation (“**Ensim**”) and certain business/assets of Four Loops Solution Pvt. Ltd. (“**Four Loops**”) by way of a separate ‘agreement & plan of merger’ dated 17<sup>th</sup> February 2016 entered into between Ingram, Durif Merger Sub Corporation (wholly owned subsidiary of Ingram), Ensim and Mr. David J. Wippich (principal shareholder of Ensim) (“**Proposed Ensim Transaction**”), which is exempt from notification under Section 6(2) of the Act by virtue of Notifications No S.O. 482 (E) and/or No. S.O. 674 (E) issued by Ministry of Corporate Affairs, Government of India on 04.03.2011 and 04.03.2016, respectively, on account of Ensim’s Indian turnover being INR 0.004 Crores in the last financial year.



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products<sup>3</sup> or related services in India. Further, there is no vertical relationship between businesses of the Parties, both before & after the Proposed Combination.

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 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.
12. This order shall stand revoked if, at any time, the information provided by the Parties is found to be incorrect.
13. The information provided by the Parties is confidential at this stage subject to provisions of Section 57 of the Act.
14. The Secretary is directed to communicate to the Parties accordingly.

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<sup>3</sup> As stated in the notice, electronic products collectively include IT products (such as servers, storage devices, networking products), consumer electronics (such as TVs, DVD players, laptops), and mobility devices (such as feature-phones and smartphones). As further stated in the notice, IT products are distinct from IT enabled services and from services related to IT products.