



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2017/02/482)



16th March, 2017

**Notice under Section 6 (2) of the Competition Act, 2002 given by NYLIM Jacob Ballas
Indian Holdings IV and Jacob Ballas Capital India Private Limited**

CORAM:

Mr. Devender Kumar Sikri
Chairperson

Mr. S. L. Bunker
Member

Mr. Sudhir Mital
Member

Mr. Augustine Peter
Member

Mr. U. C. Nahta
Member

Mr. G. P. Mittal
Member

Legal representatives: AZB & Partners.

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

1. On 14th February, 2017, the Competition Commission of India (“**Commission**”) received a notice under Section 6(2) of the Competition Act, 2002 (“**Act**”) filed by NYLIM Jacob Ballas Indian Holdings IV (“**Holdings IV**”) and Jacob Ballas Capital India Private



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- Limited (“**Jacob Ballas**”). (Holdings IV and Jacob Ballas are, hereinafter, collectively referred to collectively as the “**Acquirers**”).
2. The notice for the proposed combination has been filed pursuant to execution of Investment Agreement between Jacob Ballas, Holdings IV, Centrum Direct Limited (“**Centrum**”), Centrum Retail Services India Limited (“**Centrum Retail**”) and Centrum Capital Limited (“**Centrum Capital**”) on 31st January, 2017. The proposed combination relates to acquisition of 14.89 per cent shareholding in Centrum by Holdings IV and Jacob Ballas.
 3. The proposed combination has been notified to the Commission as the Acquirers have acquired certain affirmative rights which they would continue to hold till the time the Acquirers would hold certain shares in Centrum. The matters on which no resolution can be passed without the approval of the Acquirers includes: (i) any acquisition both within the business pertaining to foreign exchange services (“**Business**”) and / or outside the Business by Centrum or its subsidiaries; (ii) entry into a new line of business other than the business of foreign exchange services or any diversification or change in the business by Centrum or its subsidiaries or cessation of any business related to foreign exchange services; (iii) Appointment and removal of key personnel or any amendment or modification in the agreement between Centrum and any key personnel; (iv) appointment of independent director(s) on the board of Centrum; (v) To dispose of or close the whole or any substantial part of any undertaking or undertake, merger, de-merger, amalgamation, acquisition, reconstruction, reorganisation or consolidation, strategic sale or other similar transaction of or by Centrum or any arrangement or compromise with any creditors or shareholders, any demerger and the terms thereof concerning Centrum or any of its subsidiaries; (vi) To create any new subsidiaries and/or affiliates of Centrum or to permit any company to become its subsidiary, or permit Centrum to enter into any joint venture, partnership or technology transfer arrangements and the termination thereof *etc.*; (vii) Decisions in respect of any of the above matters relating to the subsidiaries of Centrum, which amounts to acquisition of control as per the jurisdictional practice of the Commission.
 4. Holdings IV, headquartered in Mauritius, is owned and controlled by New York Life Insurance Company (“**NYLIC**”). Holdings IV is engaged in equity or equity related



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investments in companies based in, or with significant operations in, India. NYLIC is a life insurance company in the United States, headquartered in New York. NYLIC and its subsidiaries provide a range of insurance and investment products and services. NYLIC offers life and health insurance, long-term care, annuities, pension products, mutual funds and other investments and investment advisory services.

5. Jacob Ballas, incorporated under the Companies Act, 1956, is engaged in offering services such as, financial advisory and investment consultancy for acquisition, holding, selling and underwriting of shares, debentures, bonds and corporate finance *etc.*
6. Centrum, incorporated under the Companies Act, 1956, is a wholly owned subsidiary of Centrum Retail Services India Limited, which in turn is a subsidiary of Centrum Capital Limited. Centrum is engaged in the provision of foreign exchange services.
7. The Commission analysed the horizontal overlap, at both levels, namely, between the Acquirers and Centrum and between portfolio companies of NYLIC and Centrum. The Commission noted that the Acquirers and Centrum do not provide any similar, identical or substitutable products or services in India, directly or indirectly. Further, none of the portfolio company of NYLIC, wherein NYLIC exercises control, either directly or indirectly, is engaged in providing services in similar line of business as the target *i.e.* Centrum.
8. As regards vertical relationships, the Commission observed that there is no vertical relationship between the Acquirers and Centrum in the relevant market. Further, there is no vertical relation between Centrum and any of the portfolio companies of NYLIC in India over which NYLIC exercises control.
9. Considering facts on record, details provided in the notice given under sub-section (2) of Section 6 of the Act and assessment 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.



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*Fair Competition
For Greater Good*

10. This order shall stand revoked if, at any time, the information provided by the Acquirers is found to be incorrect.
11. The information provided by the Acquirers is confidential at this stage, in terms of and subject to the provisions of Section 57 of the Act.
12. The Secretary is directed to communicate to the Acquirers accordingly.