



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2016/08/426)

Dated: 05.10.2016

Notice under Section 6(2) of the Competition Act, 2002 given by Cortes NP Acquisition Corporation and ASCO Power GP, LLC

CORAM:

Mr. S. L. Bunker
Member

Mr. Sudhir Mital
Member

Mr. Augustine Peter
Member

Mr. G. P. Mittal
Member

Legal Representatives of the parties: M/s AZB & Partners

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

1. On 26.08.2016, the Competition Commission of India (“**Commission**”) received a notice under sub-section (2) of Section 6 of the Competition Act, 2002 (“**Act**”) filed by Cortes NP Acquisition Corporation (“**CNAC**”). The notice has been filed pursuant to execution of a Transaction Agreement (“**TA**”) on 29.07.2016 between Cortes NP Holdings, LLC, CNAC, ASCO Power GP, LLC (“**ASCO**”), Cortes NP JV Holdings, LLC and Emerson Electric Co. (“**Emerson**”). Subsequently, vide letter dated 23.09.2016, filed under Regulation 16 of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 (“**Combination Regulations**”), the Commission was informed that ASCO, along with CNAC also be regarded as direct acquirer for the purposes of the proposed combination. The Commission considered the same and decided to take the fact on record (Hereinafter CNAC and ASCO are collectively referred to as the “**Acquirers**”).



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Fair Competition
For Greater Good

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2. CNAC and ASCO, which belong to Platinum Equity Group (“**Platinum**”) are special purpose vehicles set up to facilitate the proposed combination. Accordingly, the proposed combination relates to acquisition by Platinum of an 85 percent interest and sole control of Emerson Network Power Business (“**ENP Business**” or “**Target Business**”) from Emerson (“**Proposed Combination**”) through CNAC and ASCO.
3. Platinum, an American private equity group headquartered in Los Angeles, California, specializes in the merger, acquisition and operation of companies that provide services and solutions to customers in a broad range of businesses, including information technology, telecommunications, logistics, metal services, manufacturing and distribution.
4. Emerson is incorporated in the United States and listed on New York Stock Exchange. It is stated to be *inter alia* engaged in business of providing automation solutions and commercial and residential solutions to various industries. The automation solutions segment include *inter alia* measurement instrumentation, valves, actuators and regulators, control and safety systems etc. The commercial and residential solutions include heating and air conditioning, thermostats, refrigeration etc. The Target Business offers a broad range of products in both power and thermal management and also offers infrastructure management, monitoring, controls and software solutions for its customers’ critical applications.
5. The Target Business is engaged in following businesses in India:
 - (i) Power Management Products (including critical power systems and uninterruptible power systems, which provide back-up, voltage regulation, distribution and consistent energy for customers’ vital applications);
 - (ii) Thermal management products (climate systems) (including precision-based room cooling, in-row cooling, chilled water systems, direct and indirect evaporative cooling, custom air handling systems and controls and thermal monitoring solutions); and
 - (iii) Infrastructure management and solutions (including individual software products designed for discrete purposes such as managing power, thermal or IT



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management products as well as monitoring and management of data centres and communication networks environments via software platform).

6. As submitted by the Acquirers, none of Platinum's portfolio companies having presence in India are active in the markets serviced by the Target Business. As regards any vertical relationship between the Acquirers and the Target Business, it has been submitted that Platinum also does not control any company that has or uses products made for the specialized applications that ENP Business address. Thus, there are no horizontal overlaps or vertical relationships between Platinum and Target Business.
7. Considering the facts on record and 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 appreciable adverse effect on competition in India and therefore, hereby approves the same under sub-section (1) of section 31 of the Act.
8. This order shall stand revoked if, at any time, the information provided by the Acquirers is found to be incorrect.
9. The information provided by the Acquirers is confidential at this stage in terms of and subject to provisions of Section 57 of the Act.
10. The Secretary is directed to communicate to the Acquirers accordingly.