



COMPETITION COMMISSION OF INDIA
(Combination Registration No.C-2015/07/296)



Fair Competition
For Greater Good

19.08.2015

Notice u/s 6(2) of the Competition Act, 2002 given by FIH Mauritius Investments
Limited and I Investments Limited

CORAM:

Mr. Ashok Chawla
Chairperson

Mr. S. L. Bunker
Member

Mr. Sudhir Mital
Member

Mr. Augustine Peter
Member

Mr.U.C. Nahta
Member

Mr. M.S. Sahoo
Member

Legal Representative: Vinod Dhall and tt&a

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

1. On 30th July 2015, the Competition Commission of India (“**Commission**”) received a notice given by FIH Mauritius Investments Limited (“**Acquirer 1**”) and I Investments Limited (“**Acquirer 2**”) under sub-section (2) of Section 6 of the Competition Act, 2002 (“**Act**”). Acquirer 1 and Acquirer 2 are, hereinafter, collectively referred to as “**Acquirers**”.
2. The notice was given pursuant to a public announcement dated 14.07.2015 issued in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 regarding acquisition of up to 26% of the equity share capital of IIFL Holdings Limited (“**Target**”) by the Acquirers through an open offer (“**Proposed Combination**”). It is noted that at present, a group company of the Acquirers, viz., HWIC Asia Fund Class A holds 8.97% of equity shares of the Target. In the event the open offer is fully accepted, the Acquirer group will hold 34.97% of the equity share capital of the Target.



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3. The Acquirers have submitted that Acquirer 1 and Acquirer 2 belong to the Fairfax group of companies. The Fairfax group owns various companies in India, including Thomas Cook India Limited, Fairbridge Capital Private Limited, Qness Corp Limited, Sterling Holiday Resorts (India) Limited. Acquirer 1, a company incorporated under the laws of Mauritius, is a wholly-owned subsidiary of Fairfax India Holdings Corporation (“**FIHC**”). It was established for the purposes of making investments in India. Acquirer 2, a company incorporated under the laws of Mauritius, is a wholly-owned subsidiary of HWIC Asia Fund. Similar to Acquirer 1, Acquirer 2 is also an investment holding company, incorporated with the objective of making investments into India.
4. IIFL Holdings Limited, a company incorporated under the Companies Act, 1956, is engaged in the provision of financial services in India which, *inter alia*, include merchant banking and investment advisory services, retail broking, institutional equities, asset management, investment banking, non-banking finance, housing finance, wealth management, commodities broking and distribution of financial products. It is the holding company of the IIFL Group and is listed on the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited. Acquirer 1, Acquirer 2 and Target are hereinafter collectively referred to as “**Parties**”.
5. It is noted that the Acquirers have submitted that post combination, there will be no change in control as business operations of IIFL will continue under its present management. The Acquirers have further submitted that the Fairfax group has nominated one director on the board of the Target and that post combination, it does not propose to appoint any additional directors on the board of the Target. Further, there are no agreements between the Fairfax group, IIFL and its promoters for the purposes of the open offer or otherwise and accordingly, there are no veto / special rights granted to the Fairfax group. In this regard, it is noted that in the event the Acquirers acquire more than 25% of the equity share capital of the Target, they will be in a position to veto strategic decisions of the Target and as a result, will be jointly controlling the Target with the existing promoters of the Target (who hold around 29.7% shares in the Target).
6. Since both Acquirer 1 and Acquirer 2 are investment holding companies and the Target is engaged in various activities mentioned above, there are no horizontal overlaps between the Parties. It is, however, noted that Fairbridge Capital Private Limited (“**FCPL**”), a group company of the Acquirers, provides certain investments advisory services to its



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group companies in India. The Target (directly and through its subsidiaries, viz., India Infoline Limited and IIFL Investment Advisers and Trustee Services Limited) offers investment advisory and related services to third-parties in India.

7. Since FCPL does not provide services to third parties, there would be no change in the competitive landscape as regards investment advisory services on account of the Proposed Combination. Further, there are no existing overlaps between the activities of the Parties. Accordingly, the Proposed Combination does not seem likely to cause appreciable adverse effect on competition in India.
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 Acquirers is found to be incorrect.
10. The Secretary is directed to communicate to the Acquirers accordingly.