

## COMPETITION COMMISSION OF INDIA

22<sup>nd</sup> March, 2012

Combination Registration No.: C-2012/02/37

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

1. On 14<sup>th</sup> February, 2012, the Competition Commission of India (hereinafter referred to as the “**Commission**”) received a notice under sub section (2) of Section 6 of the Competition Act, 2002 (hereinafter referred to as the “**Act**”) of the proposed combination between Reliance Infrastructure Limited (hereinafter referred to as the “**RINFRA**”), Reliance Energy Limited (hereinafter referred to as the “**REL**”), Reliance Energy Generation Limited (hereinafter referred to as the “**REGL**”), Reliance Goa and Samalkot Power Limited (hereinafter referred to as the “**RGSP**”), Reliance Infraventures Limited (hereinafter referred to as the “**RIVL**”), Reliance Property Developers Limited (hereinafter referred to as the “**RPDL**”) and Reliance Infrastructure Engineers Private Limited (hereinafter referred to as the “**RIEPL**”) (hereinafter RINFRA, REL, REGL, RGSP, RIVL, RPDL and RIEPL are collectively referred to as “**parties to the combination**”), given jointly by the parties to the combination.
2. The proposed combination relates to the merger of REL, REGL, RGSP, RIVL and RPDL into RINFRA and demerger of container business undertaking of RIEPL into RINFRA, pursuant to a scheme of arrangement under Sections 391 to 394 and Sections 100 to 103 of the Companies Act, 1956.
3. The proposed combination falls under Section 5(c) of the Act.
4. In terms of Regulation 14 of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, vide letter dated 17<sup>th</sup> February, 2012, the parties to the combination were required to remove certain defect(s) and provide information/document(s) by 29<sup>th</sup> February, 2012. The response of the parties to the combination was received on 27<sup>th</sup> February, 2012. As the response submitted by the parties to the combination was incomplete, vide letter dated 28<sup>th</sup> February 2012, the parties were again required to remove defect(s) and provide information/document(s) by 12<sup>th</sup> March, 2012. The response of the parties in this regard was received on 12<sup>th</sup> March, 2012.



5. **RINFRA** is a public limited listed company incorporated under the Companies Act, 1956. It has been stated in the notice that RINFRA is engaged in the business of generation, transmission and distribution of electricity and in undertaking engineering, procurement and construction contracts for the power stations and related activities. RINFRA is also stated to be engaged in developing projects through various Special Purpose Vehicles in the infrastructure sector i.e., roads, metro rail, airport etc.
6. REL, REGL, RGSPL, RIVL, RPDL and RIEPL are companies incorporated under the Companies Act, 1956 and all are, directly or indirectly, wholly owned subsidiaries of RINFRA. It is stated in the notice that REL, REGL, RGSPL, RIVL, and RPDL are currently not carrying out any business activities. RIEPL is stated to be engaged in engineering, design and consultancy services and in container train operation business. It is stated in the notice that RIVL holds investment in the group companies and as on 31<sup>st</sup> March 2011, RIVL holds investment of INR 601.47 crores, including investment of INR 535 crores in the preference shares of Sonata Investments Limited. However, in their response dated 12<sup>th</sup> March, 2012, the parties to the combination have stated that Sonata Investments Limited is not a group company.
7. It has been stated in the notice that the proposed combination is being undertaken with a view to reduce administrative cost, removing multiple layer inefficiencies and for achieving operational and management efficiency.
8. As per the details provided in the notice, it is observed that for the financial year 2010-11, the turnover of REL, REGL, RGSPL, RIVL, RPDL and RIEPL from business operations, is either nil or negligible. It is also observed that REL, REGL, RGSPL, RIVL, RPDL and RIEPL are, directly or indirectly, wholly owned subsidiaries of RINFRA and the ultimate control over the activities carried out by them, before and after the proposed combination, remains with RINFRA. Based on the facts on record and the details provided in the notice filed under sub-section (2) of Section 6, the proposed combination is not likely to give rise to adverse competition concern in India.
9. Considering the facts on record and the details provided in the notice given under sub-section (2) of Section 6 of the Act and the assessment of the proposed combination, 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 proposed combination under sub-section (1) of Section 31 of the Act.

10. This approval is without prejudice to any other legal/statutory obligations as applicable.
11. This order shall stand revoked if, at any time, the information provided by the parties to the combination is found to be incorrect.
12. The Secretary is directed to communicate to the parties to the combination accordingly.



Certified True Copy

*[Handwritten Signature]*  
26/3/12

ANIL K. VASHISHT  
Office Manager  
Competition Commission of India  
New Delhi