

COMPETITION COMMISSION OF INDIA

29th March, 2012

Combination Registration No.: C-2012/03/41

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

1. On 5th March, 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 India Power Corporation Limited (hereinafter referred to as “**IPCL**”) and DPSC Limited (hereinafter referred to as “**DPSC**”) (hereinafter IPCL and DPSC are collectively referred to as “**parties to the combination**”). The notice was filed jointly by the parties to the combination.
2. The notice relates to the proposed combination wherein IPCL would amalgamate into DPSC, pursuant to implementation of the scheme of arrangement and amalgamation under Sections 391 to 394 of the Companies Act, 1956, approved by the Board of Directors of each of the parties to the combination (hereinafter referred to as “**Scheme**”) on 10th February, 2012.
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 13th March, 2012, the parties to the combination were required to remove certain defect(s) and provide information/document(s). The response of the parties to the combination was received on 20th March, 2012.
5. DPSC is a public limited company incorporated under the Indian Companies Act, 1913 and is listed on the National Stock Exchange and the Calcutta Stock Exchange. It is stated in the notice that IPCL holds 93 per cent equity share capital of DPSC and as a consequence, DPSC is a subsidiary of IPCL. DPSC is



engaged in the generation of thermal power and has two power plants located in Burdwan, West Bengal with a total installed capacity of 42.2 MW. DPSC is also licensed to supply / distribute electricity within the licensed area in the Asansol - Ranigunj coal belt in the state of West Bengal. The existing distribution capacity of DPSC is 190 MVA. DPSC primarily caters to industrial consumers and its clientele includes coal mines, paper mills, railways, hospitals, television stations, water pumping stations, technical institutions and large, medium & small industries.

6. IPCL is an unlisted public limited company incorporated under the provisions of the Companies Act, 1956. It is stated in the notice that IPCL is presently engaged in the business of wind power generation through two wind power projects i.e. a 10.4 MW capacity wind power project in Chitradurga district in the state of Karnataka and a 24.8 MW capacity wind power project in Sumana in the state of Gujarat. Apart from the business of power generation, IPCL also holds investments in various companies (including investments in power sector companies). All the investment related assets and liabilities of IPCL constitute Investment Division and one such investment is a 74 per cent stake in the India Power Corporation (Haldia) Limited, which is a special purpose vehicle created in April 2008 to set up a 450 MW thermal power plant in Haldia, West Bengal. This project is under execution.
7. As per the terms of the Scheme, after it becoming effective, the following shall be deemed to have occurred *inter-alia* in the sequence mentioned there under:
 - a) Transfer of Investment Division by IPCL to an investment trust - Beneficial ownership of the investment trust will be with IPCL.
 - b) Amalgamation of IPCL into DPSC - As a result of the amalgamation, beneficial interest in the investment trust will also get transferred to DPSC.
 - c) Change of name of DPSC from "DPSC Limited" to "India Power Corporation Limited".
8. As per the information provided in the notice and other documents on record, it is observed that IPCL holds 93% equity shares of DPSC and on amalgamation of



IPCL into DPSC, as per the Scheme, the shareholders of IPCL will become the shareholders of DPSC and thus, there will be no change in ultimate control over the activities carried out by IPCL and DPSC before and after the proposed combination. The Scheme also provides that pursuant to the amalgamation of IPCL into and with DPSC, the control over DPSC will not change.

9. Based on the facts on record and the details provided in the notice filed under sub-section (2) of Section 6, it is observed that the proposed combination is not likely to give rise to any adverse competition concern in India.
10. 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.
11. This approval is without prejudice to any other legal/statutory obligations as applicable.
12. This order shall stand revoked if, at any time, the information provided by the parties to the combination is found to be incorrect.
13. The Secretary is directed to communicate to the parties to the combination accordingly.



Certified True Copy


ANIL K. VASHISHT 10/4/12
Office Manager
Competition Commission of India
New Delhi