

COMPETITION COMMISSION OF INDIA

11<sup>th</sup> December, 2012

Combination Registration No. C-2012/11/94

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

1. On 29<sup>th</sup> November, 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**”) filed by Shriram City Union Finance Limited (hereinafter referred to as “**SCUFL**”), Shriram Retail Holdings Private Limited (hereinafter referred to as “**SRHPL**”) and Shriram Enterprise Holdings Private Limited (hereinafter referred to as “**SEHPL**”) (SCUFL, SRHPL and SEHPL hereinafter collectively referred to as the “**parties to the combination**”).
2. The said notice was given to the Commission pursuant to the approval by the Board of Directors of SCUFL, SRHPL and SEHPL to a composite Scheme of Arrangement, under Section 391 read with Section 394 and Sections 100 to 103 of the Companies Act, 1956, executed between SRHPL, SEHPL and SCUFL and their respective shareholders and creditors (hereinafter referred to as the “**Scheme**”), through separate Board resolutions, each dated 31<sup>st</sup> October, 2012. The proposed combination comprises of the amalgamation of SEHPL, a wholly owned subsidiary of SRHPL, into SRHPL, and thereafter, the amalgamation of the consolidated SRHPL into SCUFL, which, after the proposed combination would remain as the surviving entity. However, as stated in the notice, the provisions of Regulation 4 read with category 8A of Schedule 1 of the Competition Commission of India (Procedure in regard to the transaction of business relating to combination) Regulations, 2011, would be applicable to the proposed amalgamation of SEHPL into SRHPL.
3. The proposed combination falls under Section 5(c) of the Act.
4. SEHPL, a wholly owned subsidiary of SRHPL, is an unlisted investment holding company which presently holds investments in mutual fund units, bank deposits etc. As stated in the notice, SEHPL does not currently have any other operations and is not in the business of manufacturing, distribution or sale of any goods and/or services.
5. SRHPL is also an unlisted investment holding company which presently holds 50.67 percent of the equity share capital of SCUFL and has other investments in the form of mutual fund units etc. SRHPL does not have any other operations and is not in the business of manufacturing, distribution or sale of any goods and/or services. Presently, 51 percent of the total paid up share capital of SRHPL is held by Shriram Capital Limited (hereinafter referred to as “**SCL**”) and the rest 49 percent is by TPG India Investments I Inc. (hereinafter referred to as “**TPG**”).
6. SCUFL, a listed public limited company incorporated under the provisions of Companies Act, 1956, is registered as a Non-Banking Financial Company (hereinafter referred to as “**NBFC**”) with the Reserve Bank of India. SCUFL is a deposit accepting NBFC and carries on the business of offering



its customers a range of financial products and services. SCUFL has a subsidiary, Shriram Housing Finance Limited (hereinafter referred to as "SHFL") which is registered with the National Housing Bank and is engaged in the business of providing housing finance. It has been stated in the notice that after the proposed combination, SHFL will continue to remain a subsidiary of SCUFL.

7. As per details disclosed in the notice, currently, SRHPL holds 50.67 percent of the equity share capital of SCUFL, SCL holds 4.38 percent and rest is held by the public shareholders. Pursuant to the proposed amalgamation of SRHPL into SCUFL and the issue of equity shares of SCUFL to the shareholders of SRHPL as per the terms of the Scheme, SCL would hold 30.4 percent (including 4.38 percent currently held by SCL) of the equity share capital of SCUFL, TPG would hold 25.04 percent and the rest would be held by public shareholders.
8. In view of the aforesaid, it is observed that the proposed combination is an arrangement between the enterprises belonging to the same group and that the control over the activities carried on by SCUFL before and after the proposed combination would remain unchanged. The proposed combination, therefore, is not likely to raise any 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 to the Commission is found to be incorrect.
12. The Secretary is directed to communicate to the parties to the combination accordingly.



Certified True Copy

*[Handwritten Signature]*  
18/12/12  
ANIL K. VASHISHT  
Office Manager  
Competition Commission of India  
New Delhi