



Fair competition for greater good

COMPETITION COMMISSION OF INDIA

(Combination Registration No. C-2013/09/132)

14.10.2013

Notice u/s 6 (2) of the Competition Act, 2002 given by:

- Terra Transmission & Distribution India Private Limited.

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

1. On 30th September, 2013 the Competition Commission of India (hereinafter referred to as the “**Commission**”) received a notice under subsection (2) of Section 6 of the Competition Act, 2002 (hereinafter referred to as the “**Act**”), given by Terra Transmission & Distribution India Private Limited (hereinafter referred to as “**Terra**” or the “**Acquirer**”). The notice was given pursuant to the execution of a Business Transfer Agreement entered into, *inter alia*, between Terra and Vijai Electricals Limited (hereinafter referred to as “**Vijai**”) on 6th September 2013 (hereinafter referred to as the “**BTA**”).

2. As per the information given in the notice, the proposed combination relates to the acquisition by Terra of the distribution transformers, the power transformers, and the switchgears businesses of Vijai operated from the Rudraram plant of Vijai (hereinafter referred to as the “**Relevant Business**”), pursuant to the BTA.



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3. The proposed combination falls under Section 5(a) of the Act.

4. Terra, an unlisted company incorporated in 2013, is a subsidiary of Toshiba Corporation and is thus a part of Toshiba Group of Japan. Toshiba Group is, *inter alia*, in the business of manufacturing electrical transmission and distribution equipment including power transformers, distribution transformers and switchgears. However, as stated in the notice, it has no existing presence, either directly or indirectly through imports, in the market of electrical transmission and distribution equipment in India. Terra is presently not engaged in any business activity and has been incorporated for the purposes of acquiring the Relevant Business from Vijai.

5. As per the details given in the notice, Vijai, an unlisted company incorporated in the year 1980, is engaged in the manufacture and sale of electrical transmission and distribution equipment such as distribution transformers (14,607 MVA capacity plant located at Rudraram and 4,000 MVA capacity plant located at Haridwar), power transformers (24000 MVA capacity plant at Rudraram), switchgears (11850 units capacity plant at Rudraram) and cables and conductors (plant at Haridwar). Vijai is also involved in the rural electrification and extra high voltage projects. Further, as stated in the notice, the Rudraram plant of Vijai also houses the copper sheet and copper wire rod manufacturing facility and the amorphous metal manufacturing operation facility, which supplies raw materials to the distribution transformers business of Vijai. However, these facilities will be retained by Vijai pursuant to the proposed combination. Post-combination, Vijai will also continue to operate the rural electrification and extra high voltage projects along with the distribution transformers business from its Haridwar manufacturing facility.



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6. As per the “Indian Electrical Equipment Industry Mission Plan 2012-2022”, published by the Ministry of Heavy Industries & Public Enterprises, Government of India, for the year 2011-12, the size of the Indian electrical industry was estimated at INR 1.20 lakh crore of which the generation equipment segment accounted for INR 31,000 crore, the major transmission and distribution equipment segment of transformers, cables, transmission lines, switchgears, capacitors, energy meters, etc. accounted for INR 64,235 crore, while the remaining related to other electrical equipment. The estimated size for transformers was INR 12,400 crore and the size for switchgear & control gear was INR 9,800 crore. Accordingly, as per the details provided in the notice, on the basis of the turnover of Vijai for the year 2011-12, the estimated share of Vijai in the electrical transmission and distribution equipment market, transformers market and switchgear market in India would be small. Consequently, pursuant to the proposed combination, the share of the Acquirer, which at present is not engaged in any business activity, in the market for electrical transmission and distribution equipment in India would be only marginal. It is also observed that there are already several major established players present in the field of manufacture of electrical transmission and distribution equipment in India.

7. Considering the facts on record, the details provided in the notice and the assessment of the proposed combination on the basis of the 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 proposed combination under sub-section (1) of Section 31 of the Act.

8. This approval is without prejudice to any other legal/statutory obligations as applicable.



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9. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.
10. The Secretary is directed to communicate to the Acquirer accordingly.

(Ashok Chawla)
Chairman

(Geeta Gouri)
Member

(Anurag Goel)
Member

(M. L.Tayal)
Member

(S. N. Dhingra)
Member

(S. L. Bunker)
Member