



## COMPETITION COMMISSION OF INDIA

(Combination Registration No. C-2014/03/159)

15.04.2014

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

- **Ruchi Soya Industries Limited**

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

1. On 18<sup>th</sup> March, 2014, 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 (**‘Act’**), given by Ruchi Soya Industries Limited (**‘Acquirer’** or **‘RSIL’**).
2. In terms of Regulation 14 of the Competition Commission of India (Procedure in regard to transaction of business relating to combinations) Regulations, 2011 (**‘Combination Regulations’**), vide letter dated 26<sup>th</sup> March, 2014, the Acquirer was required to remove defects and furnish certain information/document(s) regarding the notice, by 1<sup>st</sup> April, 2014. However, the Acquirer filed its response on 2<sup>nd</sup> April, 2014, after seeking extension of one day.
3. The proposed combination relates to the acquisition of the Oil Refining Business (**‘ORB’**) of Ruchi Infrastructure Limited (**‘RIL’**) by RSIL, as a going concern, on a slump sale basis, pursuant to terms and conditions as stated in the Business Transfer Agreement (**‘BTA’**), dated 7<sup>th</sup> March, 2014.
4. The proposed combination falls under Section 5(a) of the Act.
5. The Acquirer, a listed company in India is engaged *inter alia* in the business of developing and processing soybean seeds, manufacturing of crude edible oil and oil seed extractions, refining, marketing and supplying of edible oil.
6. RIL, also a listed company, is primarily engaged in the business of providing storage infrastructure of liquid commodities, warehousing facilities for storage of agricultural commodities such as wheat, soybean etc. It runs an edible oil refinery plant for manufacture of refined oil and vanaspati situated at Kakinada, Andhra Pradesh, which is stated to be acquired by RSIL.



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7. As per the details provided in the notice, the promoters of RIL i.e. Shahra Group hold 54.46 per cent stake in RIL. Shahra group also holds 55.86 per cent stake in RSIL.
8. India is one of the largest edible oil markets in the world. As per information available in public domain around fifty percent of the domestic demand of edible oils in India is met through imports. Moreover, the market share of RSIL in both the refined oil and vanaspati segment would not increase in any significant manner due to the proposed combination.
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 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 same under sub-section (1) of Section 31 of the Act.
10. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.
11. The Secretary is directed to communicate to the Acquirer accordingly.

(Ashok Chawla)

Chairperson

(Geeta Gouri)

Member

(Anurag Goel)

Member

(S.L. Bunker)

Member



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(Sudhir Mittal)  
Member

(Augustine Peter)  
Member