



Fair Competition
For Greater Good

COMPETITION COMMISSION OF INDIA

(Combination Registration No. C-2014/04/166)

22.05.2014

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

- Genext Hardware & Parks Pvt. Ltd;
- Magna Warehousing and Distribution Pvt Ltd;

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

1. On 17.04.2014, the Competition Commission of India (“**Commission**”) received a notice under sub-section (2) of section 6 of the Competition Act, 2002 (hereinafter referred to as the “**Act**”) given by Magna Warehousing & Distribution Pvt. Ltd. (hereinafter referred to as “**Magna**”) and Genext Hardware & Parks Pvt. Ltd. (hereinafter referred to as “**Genext**”) (Magna and Genext are hereinafter collectively referred to as “**parties to the combination**”), pursuant to the board resolutions passed by the respective Board of Directors of Genext and Magna on 19.03.2014 and 20.03.2014 respectively, approving a scheme of arrangement under section 391 read with section 394 and sections 100 to 104 of the Companies Act, 1956, regarding the transfer of Magna’s business pertaining to hotel and retail activities, to Genext. The proposed combination falls under Section 5 of the Act.
2. Magna, a company incorporated under the Companies Act, 1956 and a subsidiary of Chalet Hotels Pvt Limited (hereinafter referred to as “**Chalet**”), is engaged in retail and hotel business, in Bengaluru. Genext, a company incorporated under the Companies Act, 1956, is engaged in the business of real estate properties in Mumbai.
3. In terms of Regulation 14 of Competition Commission of India (Procedure in regard to the transaction of business relating to combinations Regulations, 2011), vide letter dated 25.04.2014, the parties to the combination were required to remove certain defects and provide information/document(s) latest by 05.05.2014. The parties to the combination filed their reply on 06.05.2014 after seeking extension in this regard.
4. It is observed from the details given in the notice that 83.16 per cent of the equity share capital in Magna is held by Chalet and the remaining is held by the



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members and group companies of the Raheja family along with Chalet. In Genext, Chalet holds 40 per cent of the equity share capital and remaining is held by the members of the Raheja family. Chalet is also directly or indirectly owned and controlled by the members of the Raheja family. In view of the aforesaid, the ultimate control over the business activities of the parties to the combination will remain with the Raheja family only.

5. Considering the facts on record and the details provided in the notice given under sub-section (2) of section 6 of the Act and assessment of the proposed combination on the basis of 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.
6. This approval is without prejudice to any other legal/statutory obligations as applicable.
7. This order shall stand revoked if, at any time, the information provided by the parties to the combination is found to be incorrect.
8. The Secretary is directed to communicate to the parties to the combination accordingly.

(Ashok Chawla)
Chairperson

(M.L. Tayal)
Member

(S.L. Bunker)
Member

(Sudhir Mital)
Member

(Augustine Peter)
Member