



COMPETITION COMMISSION OF INDIA

(Combination Registration No. C-2014/11/221)

28.01.2015

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

- Nirma Limited ('Nirma')
- Banihal Holdings Private Limited ('BHPL')
- Kargil Holdings Private Limited ('KHPL')
- Kulgam Holdings Private Limited ('Kulgam')
- Leh Holdings Private Limited ('LHPL')
- Uri Holdings Private Limited ('UHPL')
- Kanak Castor Products Private Limited ('KCPPL')
- Siddhi Vinayak Cement Private Limited ('SVCPL')
- Aculife Healthcare Private Limited ('AHPL')

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

1. On 10th November 2014, the Competition Commission of India ('Commission') received a notice under Section 6 (2) of the Competition Act, 2002 ('Act') given by Nirma, BHPL, KHPL, Kulgam, LHPL, UHPL, SVCPL, KCPPL and AHPL (hereinafter, Nirma, SVCPL, KCPPL, BHPL, KHPL, Kulgam, LHPL, UHPL and AHPL are collectively referred to as the 'Parties'.)
2. The notice relates to a proposed combination which comprises a composite scheme of arrangement under Section 391 to 394 of the Companies Act, 1956, entailing two steps, namely; a) amalgamation of BHPL, KHPL, Kulgam, LHPL, UHPL, KCPPL and SVCPL into Nirma, as approved by the Board of Directors of Nirma, BHPL, KHPL, Kulgam, LHPL, UHPL, KCPPL and SVCPL; and b) the demerger of the healthcare division of Nirma into AHPL, as approved by the Board of Directors of the Nirma and AHPL, on 9th October 2014, respectively through separate resolutions.



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3. 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 20th November 2014, the Parties were required to remove defects and furnish certain information/document(s). The Parties filed their response on 25th November, 2014. Since, the response filed by the Parties was incomplete, another communication dated 28th November, 2014 under Regulation 14 of the Combination Regulations, was sent to the Parties. The Parties filed their response on 10th December, 2014. Further, as the response dated 10th December, 2014 was also incomplete, communications dated 22nd December, 2014, 14th January, 2015 and 20th January, 2015, under Regulation 14 of the Combination Regulations were sent to the Parties, to which the Parties filed their response on 12th January, 2015, 19th January, 2015 and 27th January, 2015, respectively.
4. Nirma, a public limited unlisted company incorporated under the Companies Act, 1956, is *inter-alia*, engaged in the manufacturing of soaps, detergents, a range of chemicals, castor oil, salt and pharmaceutical products including injectables, parenteral nutrition, medical devices, etc.
5. SVCPL, a private limited company incorporated under the Companies Act, 1956, is a wholly owned subsidiary of Nirma and is engaged in the manufacturing of cement and allied products.
6. KCPPL, a private limited company incorporated under the Companies Act, 1956, provides services of converting raw material supplied by Nirma into finished products.
7. BHPL, KHPL, Kulgam, LHPL and UHPL are private limited companies incorporated under the Companies Act, 1956, and each of them is a non-deposit accepting Non-Banking Financial Company (NBFC) registered with the Reserve Bank of India. It has been stated in the notice that each of these companies is engaged in business of providing loans and making investments within the Nirma



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- group companies and have no other business dealings, except for investment of a minimal nature by Kulgam in two companies. These companies are also stated to be engaged in agricultural activities i.e. production of coffee beans in the state of Karnataka.
8. AHPL is a private limited company recently incorporated under the Companies Act, 2013. It has been stated in the notice that AHPL has been incorporated for the purpose of taking over the healthcare division of Nirma. At present, AHPL is not carrying out any business activity.
 9. It is observed from the information given in the notice and other material available on record that ultimate control over the business activities of Nirma, BHPL, KHPL, Kulgam, LHPL, UHPL and KCPPL, both before and after the combination remains with the promoter, Shri. Karsanbhai K. Patel, through the shareholding in various capacities and through the immediate family members. As already stated, it is also observed that BHPL, KHPL, Kulgam, LHPL and UHPL are engaged primarily in the business of providing loans and making investments within the Nirma group companies, except for investment of a minimal nature by Kulgam in two companies. As regards SVCPL, it is already noted that it is a wholly owned subsidiary of Nirma and control over the business activities of SVCPL, both before and after the combination, would remain with Nirma. As regards the de-merger of the health care division of Nirma into AHPL, it is noted that there is no overlap between the business activities of Nirma and AHPL as AHPL has been recently incorporated and is presently not carrying out any business activities. In view of the foregoing, the proposed combination is not likely to have any adverse effect on competition 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 combination after considering the relevant factors mentioned 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 appreciable adverse effect on competition in India and therefore, the



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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 is found to be incorrect.
13. The Secretary is directed to communicate to the Parties accordingly.