

COMPETITION COMMISSION OF INDIA

14th February, 2012

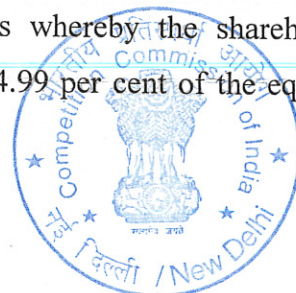
Combination Registration No.: C-2012/01/22

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

1. On 20th January, 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 “**Act**”) filed by Reliance Industries Investment and Holding Limited (hereinafter referred to as “**RIIHL**”), a wholly owned subsidiary of Reliance Industrial Investments and Holdings Ltd. and in turn a subsidiary of Reliance Industries Ltd, (hereinafter referred to as “**RIL**”) which alongwith all its controlled subsidiaries is referred to in the notice as the acquirer group.
2. The notice under sub-section (2) of Section 6 of the Act has been filed by RIIHL pursuant to a resolution passed by the board of directors of RIIHL on 10th January, 2012. The notice relates to the proposed acquisition of upto 10.19 per cent of the paid up equity share capital of EIH Ltd. (hereinafter referred to as the “**EIH**”) by RIIHL, by way of direct or indirect acquisitions through market purchases on the stock exchanges and/or through private arrangements in one or more tranches within a period of 24 months, following the date of approval of the proposed acquisition by the Commission.
3. The proposed acquisition falls within Section 5(a) of the Act.
4. In terms of Regulation 14 of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011(hereinafter referred to as “**Combination Regulations**”), on 24th January, 2012, RIIHL was required to remove defects and furnish required information/ document(s), which was furnished on 2nd February, 2012.



5. As per information furnished in the notice and other material placed on record, RIIHL, a public company incorporated under Companies Act, 1956, is a wholly owned subsidiary of Reliance Industrial Investments and Holdings Ltd. which in turn is a wholly owned subsidiary of RIL, a listed public company incorporated under the provisions of the Companies Act, 1956. It is stated in the notice that the acquirer group, i.e., RIL alongwith all its controlled subsidiaries, is a diversified conglomerate having interests in oil and gas, petroleum, refining and marketing of petroleum products, petrochemicals (polyester, fibre intermediates, plastics and chemicals), textiles, etc.
6. EIH is a listed public company incorporated under Companies Act, 1956. As per information furnished in the notice and other material placed on record EIH is primarily engaged in the business of hospitality services i.e., ownership, management and operation of hotels and cruise ships, in India and outside India.
7. As per information furnished in the notice and other material placed on record, neither RIIHL nor the acquirer group is engaged in the business of hospitality services in India nor they have either directly or indirectly, any interest/investment in any other enterprise engaged in business of hospitality services in India in which EIH is primarily engaged. Further, RIIHL, which currently holds 14.80 per cent of the equity share capital of EIH, pursuant to the proposed acquisition of upto 10.19 per cent of the paid up equity share capital of EIH, by way of direct or indirect acquisitions through market purchases on the stock exchanges and/or through private arrangements in one or more tranches within a period of 24 months following the date of approval of the proposed acquisition by the Commission, would have directly and indirectly shareholding of 24.99 per cent of the equity share capital of EIH. It is stated in the notice that the proposed acquisition would not result in the acquisition of any control over EIH by RIIHL or the acquirer group or any change in the constitution of the board of directors or the management of EIH.
8. Considering that neither RIIHL nor the acquirer group is engaged in the business of hospitality services in India nor they have either directly or indirectly, any interest/investment in any other enterprise engaged in business of hospitality services in India and that the proposed acquisition of upto 10.19 per cent of the paid up equity share capital of EIH by way of direct or indirect acquisitions through market purchases on the stock exchanges and/or through private arrangements whereby the shareholding of RIIHL in EIH directly and indirectly would be upto 24.99 per cent of the equity share



capital, would not result in the acquisition of any control over EIH by RIIHL or the acquirer group or any change in the constitution of the board of directors or the management of EIH, the proposed acquisition is not likely to have an adverse competition concern.

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 acquisition, the Commission is of the opinion that the proposed acquisition is not likely to have an appreciable adverse effect on competition in India. The Commission therefore, 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 or statutory obligations as applicable.
11. This order shall stand revoked if, at any time, the information provided by RIIHL is found to be incorrect.
12. The Secretary is directed to communicate to RIIHL accordingly.



Certified True Copy


23.02.2012
BHUPENDRA SINGH
Deputy Director (FA)
Competition Commission of India
Government of India
New Delhi