

COMPETITION COMMISSION OF INDIA

17th January, 2012

Combination Registration No. C-2011/12/16

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

1. On 16th December, 2011 Electromags Automotive Products Private Limited (hereinafter referred to as "EAPL") and The Bombay Burmah Trading Corporation Limited (hereinafter referred to as "BBTCL") jointly filed a notice under sub-section (2) of Section 6 of the Competition Act, 2002 (hereinafter referred to as "Act"). The said notice relates to a proposed combination wherein EAPL would merge into BBTCL, pursuant to implementation of a scheme of amalgamation under Sections 391 to 394 of the Companies Act, 1956 approved by the Board of Directors of EAPL on 4th August, 2011 and by the Board of Directors of BBTCL on 5th August, 2011.
2. EAPL and BBTCL, along with the notice filed under sub-section (2) of Section 6 of the Act, also filed an application dated 14th December, 2011 requesting the Commission for condoning the delay in filing the notice as the notice was filed in the Commission beyond the time limit mentioned in sub-section (2) of Section 6 of the Act. The Commission in its Ordinary Meeting held on 22nd December, 2011 considered the application filed by EAPL and BBTCL for condoning of delay in filing the notice under sub-section (2) of Section 6 of the Act and decided to admit the belated notice with effect from 22nd December, 2011. The Commission in the said meeting also decided to initiate separate proceedings under Section 43A of the Act as the notice was not filed in accordance with the provisions contained under sub-section (2) of Section 6 of the Act.
3. The proposed combination falls under Section 5 (c) 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 30th December, 2011, EAPL and BBTCL were required to provide certain information and document(s), which was furnished by them on 9th January, 2012.
5. As per the information provided in the notice and other submissions on record, BBTCL is engaged in the business of plantations, food (biscuits and dairy products), textiles, chemicals, electronics and light engineering, healthcare, real estate etc. The equity shares of BBTCL are listed on the Bombay Stock Exchange and National Stock Exchange. Further, EAPL which is a direct wholly owned subsidiary of BBTCL is engaged in the design and manufacture of electro-mechanical, pneumatic, hydraulic components and assemblies for the automotive segments mainly as well as the white goods sector and manufactures and sells auto electric parts and white goods parts including solenoids, slip-rings, switches, inlet/outlet valves for washing machines, pick line assembly for ATMs etc.
6. It has been stated in the notice that the proposed amalgamation will enable BBTCL to consolidate its business and combine its resources for further growth, resulting in significant economies of



scale, reduction in overheads and other expenses, reduction in administrative and procedural work, effective co-ordination and better control over its activities.

7. It is observed that EAPL and BBTCL are engaged in different business activities. Further, the ultimate control over the activities of EAPL would continue to be managed by BBTCL subsequent to the implementation of the scheme of amalgamation under Sections 391 to 394 of the Companies Act, 1956 and the proposed combination is not likely to have any adverse competition concern.
8. 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, 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 the Section 31 of the Act.
9. This approval is without prejudice to any other legal/statutory obligations as applicable.
10. This order shall stand revoked if, at any time, the information provided by EAPL and BBTCL is found to be incorrect.
11. The Secretary is directed to communicate to EAPL and BBTCL accordingly.



Certified True Copy

[Handwritten Signature]
20/1/12
ANIL K. VASHISHT
Office Manager
Competition Commission of India
New Delhi