

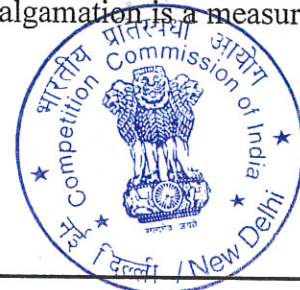
# COMPETITION COMMISSION OF INDIA

23<sup>rd</sup> February, 2012

Combination Registration No.: C-2012/02/38

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

1. On 16<sup>th</sup> February, 2012, the Competition Commission of India (hereinafter referred to as the “**Commission**”) received a notice jointly filed by Escorts Limited (hereinafter referred to as “**EL**”), Escorts Construction Equipment Limited (hereinafter referred to as “**ECEL**”), Escorts Finance Investments and Leasing Private Limited (hereinafter referred to as “**EFILL**”) and Escotrac Finance and Investments Private Limited (hereinafter referred to as “**ESCOTRAC**”){hereinafter also collectively referred to as “**parties to the combination**”} 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 ECEL, EFILL and ESCOTRAC would amalgamate into EL, pursuant to implementation of scheme of amalgamation under Section 391 to 394 of the Companies Act, 1956, approved by the board of directors of ESCOTRAC on 4<sup>th</sup> February, 2012 and by the board of directors of EL, ECEL and EFILL on 14<sup>th</sup> February, 2011. The proposed combination falls under Section 5(c) of the Act.
2. EL is a listed public limited company, incorporated under the provisions of the Companies Act, 1956. ECEL is an unlisted public limited company, incorporated under the provisions of the Companies Act, 1956. EFILL is a private limited company, incorporated under the provisions of the Companies Act, 1956 and is duly registered with RBI as a non-deposit taking NBFC. ESCOTRAC is a private limited company, incorporated under the provisions of the Companies Act, 1956 and is duly registered with RBI as a non-deposit taking NBFC. It has been stated in the notice that EL, ECEL, EFILL and ESCOTRAC amongst other companies are part of the “Escorts Group” and that the instant amalgamation is a measure of the group restructuring of the Escorts Group.



3. It has been stated in the notice that ECEL is a 100 percent subsidiary of EL and EL directly or indirectly holds around 99.62 per cent share capital of EFILL and ESCOTRAC respectively.
4. Further, EL is engaged primarily in the manufacturing of agricultural tractors, railway equipment's and automotive shock absorbers whereas ECEL is engaged in the manufacturing of material handling construction equipment and earth moving equipment and EFILL and ESCOTRAC are investment holding companies and primarily hold investment within the group companies.
5. As already observed, EL and ECEL are engaged in manufacturing and trading of distinct products. EFILL and ESCOTRAC are investment holding companies primarily investing within the group companies. It is also observed that before the implementation of the scheme of amalgamation under Sections 391 to 394 of the Companies Act, 1956, EL already, directly or indirectly, holds 100 per cent of the share capital of ECEL and around 99.62 per cent of the share capital of EFILL and ESCOTRAC respectively and the proposed combination is a measure of the Escorts group restructuring, not likely to have any adverse competition concern.
6. 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 Section 31 of the Act.
7. This approval is without prejudice to any other legal/statutory obligations as applicable.
8. This order shall stand revoked if, at any time, the information provided by the parties to the combination is found to be incorrect.



9. The Secretary is directed to communicate to the parties to the combination accordingly.



Certified True Copy

*[Handwritten signature]*  
2/3/12

ANIL K. VASHISHT  
Office Manager  
Competition Commission of India  
New Delhi