

# COMPETITION COMMISSION OF INDIA

21<sup>st</sup> February, 2012

Combination Registration No.: C-2012/01/27

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

1. On 27<sup>th</sup> January, 2012, Loop Telecommunications Holdings India Limited (hereinafter referred to as “LTHIL”), Capital Global Limited, Mauritius (hereinafter referred to as “CGL”) and Loop Mobile Holdings India Limited (hereinafter referred to as “LMHIL”) 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 LTHIL and CGL would amalgamate into LMHIL, pursuant to implementation of the scheme of amalgamation under Section 391 to 394 of the Companies Act, 1956, approved by the Board of Directors of LTHIL and LMHIL on 2<sup>st</sup> November, 2011 and by the Board of Directors of CGL on 28<sup>th</sup> December, 2011. The proposed combination falls under Section 5(c) of the Act.
2. 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 2<sup>nd</sup> February, 2012, LTHIL, CGL and LMHIL were required to provide certain information and document(s), which were furnished by them on 14<sup>th</sup> February, 2012.
3. LTHIL is an unlisted public limited company, incorporated under the provisions of the Companies Act, 1956. CGL is a private limited company, incorporated under the Mauritius Companies Act. LMHIL is an unlisted public limited company, incorporated under the provisions of the Companies Act, 1956. It has been stated in the notice and that LMHIL holds the entire equity share capital of CGL and more than ninety per cent of the share capital of LTHIL. It has also been stated in the notice that LTHIL, CGL and LMHIL amongst the other companies are part of the “Loop” Group.
4. The instant amalgamation is a measure of the group restructuring of the Loop group to reduce the number of entities/shareholding tiers, rationalize investments, reduce management and administrative costs and achieve better and more efficient conduct of business and operations by the entities.
5. As per the information provided in the notice, it is observed that LTHIL, CGL and LMHIL are not engaged in any business except of holding investments within

the group companies and that they do not have any turnover from sale of goods or provision of services. It has also been stated in the notice that LTHIL, CGL and LMHIL are neither engaged in the production, supply, distribution, storage, sale or trade of any kind of goods or services nor have any operations in manufacturing or services sectors in India or outside India.

6. As already observed, LTHIL, CGL and LMHIL are not engaged in any business except of holding investments within the group companies. Further, the ultimate control over the activities carried by LTHIL, CGL and LMHIL before the proposed amalgamation and by LMHIL after the implementation of the scheme of amalgamation under Sections 391 to 394 of the Companies Act, 1956 would remain with LMHIL, and the proposed combination is not likely to have any adverse competition concern.
7. 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.
8. This approval is without prejudice to any other legal/statutory obligations as applicable.
9. This order shall stand revoked if, at any time, the information provided by LTHIL, CGL and LMHIL is found to be incorrect.
10. The Secretary is directed to communicate to LTHIL, CGL and LMHIL accordingly.



Certified True Copy

*[Handwritten Signature]*  
24/2/12  
ANIL K. VASHISHT  
Office Manager  
Competition Commission of India  
New Delhi