



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2016/11/457)

13th January, 2017

Notice under Section 6 (2) of the Competition Act, 2002 given by Schneider Electric South East Asia (HQ) PTE/Y Ltd.

CORAM:

Mr.Devender Kumar Sikri
Chairperson

Mr. S.L.Bunker
Member

Mr. Sudhir Mital
Member

Mr. Augustine Peter
Member

Mr. U.C. Nahta
Member

Mr. G.P. Mittal
Member

Legal Representative: P&A Law Offices

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

1. On 24th November, 2016, the Competition Commission of India (hereinafter referred to as the “**Commission**”) received a notice from Schneider Electric South East Asia (HQ) PTE/Y Ltd.(“**Schneider**”/“**Acquirer**”) regarding its proposed acquisition of remaining 26 percent equity shares of Luminous Power Technologies Private Limited(“**LPT**”). (Hereinafter, Schneider and LPT are collectively referred to as “**Parties**”). The notice was filed pursuant to a put notice dated 25th October, 2016, given by Mr. Rakesh Malhotra, Ms. Nirupama Malholtra, Mr. Om Prakash Kapoor, and Mr. Navneet Kapoor



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(hereinafter referred to as the “**Founder Shareholders**”), in accordance with relevant clause of Shareholders Agreement (“**SHA**”) dated 30th May, 2011 entered between Schneider and Founder Shareholders.

2. The proposed combination has been filed under Section 6 (2) read with Section 5(a) of the Act.
3. At the time of filing of notice, the Acquirer undertook to provide certain information relating to market size and market share by 2nd December, 2016, under regulation 14 of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 (**‘Combination Regulations’**), and the same was provided on 28th November, 2016. On 14th December, 2016, the Commission sought clarification regarding non-compete clause agreed to between Founder Shareholders and the Parties, to which the latter responded on 23rd December, 2016.
4. Schneider, a subsidiary of Schneider Electric SE, France (“**SE France**”), being an investment holding company, is not directly engaged in any business operation in India. However, SE France, including Schneider, operates through its subsidiaries and affiliates in India that are engaged in products and services relating, *inter-alia*, to energy automation, telecommunication, transformers and power back-up and transmission. Most of these products are meant for commercial and industrial use.
5. LPT, a private limited company incorporated in India, is *inter-alia*, engaged in the business of manufacture and/ or trading of electrical devices and equipment including power back-up devices, solar devices and equipment and home electrical offerings, which are primarily meant for home use. As submitted, Schneider, already holds 74 percent shares in LPT.
6. It is observed that prior to the proposed combination, Founder Shareholders held certain affirmative rights, and also had right to nominate two directors on the board of directors of LPT, and as a result of the proposed combination, Founder Shareholders will cease to hold these rights, as Schneider will hold 100 percent equity stake in LPT.
7. It has been observed that LPT’s products are primarily meant for home use whereas, those of Schneider primarily cater to commercial and industrial use. Also, there are



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number of other players such as Emerson, Legrand and Eaton which are posing competitive constraints in both the segments.

8. Considering the facts on record, details provided in the notice given under sub-section (2) of Section 6 of the Act and assessment of the proposed combination on the basis of factors stated in sub-section (4) of Section 20 of the Act, the Commission is of the opinion that proposed combination is not likely to have an appreciable adverse effect on competition in India and therefore, the Commission, hereby, approves the same under sub-section (1) of Section 31 of the Act.
9. This order shall stand revoked if, at any time, the information provided by the Parties is found to be incorrect.
10. The information provided by the parties shall be treated as confidential in terms of and subject to provisions of Section 57 of the Act.
11. The Secretary is directed to communicate to the parties accordingly.