



**COMPETITION COMMISSION OF INDIA**  
(Combination Registration No. C-2017/03/490)

**30<sup>th</sup> March, 2017**

**Notice under Section 6 (2) of the Competition Act, 2002 given by Havells India Limited.**

**CORAM:**

Mr. Devender Kumar Sikri  
Chairperson

Mr. Augustine Peter  
Member

Mr. U.C. Nahta  
Member

**Legal Representative:** AZB & Partners.

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

1. On 1<sup>st</sup> March, 2017, the Competition Commission of India (hereinafter referred to as the "**Commission**") received a notice filed by Havells India Limited ("**HIL**") pursuant to Transaction Agreement dated 18<sup>th</sup> February, 2017 entered into between Lloyd Electric and Engineering Limited ("**LEEL**"), Fedders Lloyd Corporation Limited ("**FLCL**") and HIL. (Hereinafter HIL, LEEL, and FLCL are collectively referred to as "**Parties**")
2. The proposed combination has been filed under sub-section 2 of Section 6 read with sub-section (a) of Section 5 of the Competition Act, 2002 ("**Act**").
3. The proposed combination relates to acquisition by HIL of: (i) Consumer Durables Business of LEEL as a going concern on a slump sale basis; and (ii) brand "Lloyd" of FLCL.



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4. HIL, a public limited company incorporated in India, belongs to the QRG Group. It is, *inter-alia*, engaged in the business of manufacture and/or sale of electrical consumer durables such as fans, water heaters, switchgears, lighting and fixtures, cables *etc.*
5. LEEL is a public limited company incorporated in India and is, *inter-alia*, engaged in the three business segments viz., (i) Consumer Durables, (ii) Original Equipment Manufacture (“OEM”) segment and Packaged Air-Conditioning, and (iii) Heat Exchanger and Components.
6. FLCL is a public limited company incorporated in India and is, *inter-alia*, engaged in the business segments such as steel structures and engineering, power projects and Environmental Control systems. It is stated by the Parties that FLCL is not engaged in the Consumer Durables Business in India and both LEEL and FLCL belong to the same Group.
7. The Commission observed that products of LEEL and HIL overlap in the business of sale of consumer appliances such as Air Purifiers, Air Coolers and Room Heaters and only brand “Lloyd” is being sold by FLCL to HIL. Further, it is noted that the Parties presence in respect of overlapping products category is insignificant to cause any competition concerns and there are a number of other players in the business of consumer appliances such as Samsung, Philips, LG, Panasonic and Videocon.
8. The Commission, noted that currently, the Parties are not engaged in any activity relating to the production, supply, distribution, storage, sale and service or trade in products or provision of services which are at different stages or levels of the production chain. With regard to potential vertical relationship, it is submitted by the Parties that they propose to enter into a short term contract manufacturing agreement for supply of Air Conditioners, in the nature of a transitional arrangement and as such limited arrangement has no impact on competition.
9. Considering 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



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on competition in India and therefore, the Commission, approved the same under sub-section (1) of Section 31 of the Act.

10. This order shall stand revoked if, at any time, the information provided by the Parties is found to be incorrect.
11. The information provided by the parties shall be treated as confidential in terms of and subject to provisions of Section 57 of the Act.
12. The Secretary is directed to communicate to the parties accordingly.