



Fair Competition
For Greater Good

COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2016/11/454)

31.01.2017

**Notice filed under sub-section (2) of Section 6 of the Competition Act, 2002 given by GE
Pacific Private Limited**

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: AZB & Partners

Order under sub-section (1) of Section 31 of the Act

1. On 15.11.2016, the Competition Commission of India (“**Commission**”) received a notice under sub-section (2) of Section 6 of the Competition Act, 2002 (“**Act**”) given by GE Pacific Private Limited (“**GE Pacific/Acquirer**”). The notice was filed pursuant to execution of Share Purchase Agreement dated 08.11.2016, executed between GE Pacific, ABFPL and Bharat Forge Limited (“**BFL**”) for the acquisition of shares of Alstom Bharat



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Forge Power Private Limited (“**ABFPL**”) (Hereinafter GE Pacific and ABFPL are collectively referred to as the “**Parties**”).

2. The proposed combination envisages acquisition of 49 percent shareholding of BFL in ABFPL by GE Pacific. Currently, GE Energy Europe B. V. (“**GE Energy**”) holds 51% shareholding in ABFPL. Post Combination, ABFPL will be solely held by the GE Group through its subsidiaries, *i.e.*, GE Energy and GE Pacific, in the ratio of 51:49 respectively (“**Proposed Combination**”).
3. In terms of Regulation 14 of Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 (hereinafter referred to as “**Combination Regulations**”), *vide* letter dated 06.12.2016, the Acquirer was required to remove certain defects in the notice and furnish the required information by 09.12.2016. The response of the Acquirer was filed on 14.12.2016, after seeking extension of time. An email dated 23.12.2016 was also sent for certain clarifications. The Acquirer has submitted its response *vide* email dated 29.12.2016 and 03.01.2017.
4. GE Pacific, incorporated in the Republic of Singapore, is primarily engaged in the activities of an investment holding company, provision of management services and sales, and distribution and services of GE products. The ultimate holding company of GE Pacific is General Electric Company (“**GE**”), which is engaged in diversified business globally through its business units, including, GE Power and Water, GE Lighting and GE Renewable Energy. In India, GE Pacific is present through two subsidiaries, namely, GE India Industrial Private Limited (“**GEIPL**”) and GE Drilling Engineering Services of India Private Limited (“**GE Drilling**”). In India, GE is engaged in the supply of STs below 100 MW, through local entities such as GE Triveni Limited and GEIPL and overseas entities such as Nuovo Pignone SPA and GE Thermodyn SAS.



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5. ABFPL, a joint venture incorporated under the erstwhile Companies Act, 1956, is engaged in the business of design, manufacture and sale of Steam Turbines (“STs”) and generators and balance of turbine for coal based electrical power generating plants in 300-800 MW range.
6. The Commission observed that the Proposed Combination pertains to the STs and generators for coal based electric power plants in India. In an earlier case of *GE/ALSTOM (C-2015/01/241)*, the Commission examined the relevant market at a broader level for the market of all STs in India. Alternatively, the relevant market was also examined at a narrower level for the market for STs above 100 MW in India. However, the exact delineation of relevant market in this regard was left open as it was observed that the combination was not likely to raise competition concerns in either of the two relevant markets in India. In the present case, since the Proposed Combination is not likely to give rise to any competition concern, the Commission decided that precise definition of relevant market may be left open.
7. In the overall market for STs in India, the Commission considered the market share data on the basis of number of projects, number of STs ordered and total output capacity (in GW) of the STs supplied for the period 2011-15 provided in the notice and noted that the combined market share (during 2011-15) of GE and ABFPL is 5.14% on the basis of total number of projects, 6.86% on the basis of total number of STs and 12.89% on the basis of the total capacity. The Commission further observed that the market shares of GE and ABFPL are not significant to give rise to any competition concern and that there is presence of credible competitors/bidders such as Siemens, BHEL, Toshiba, MHPS, Harbin, Dongfang etc.
8. The Parties have stated that there is no vertical relationship between GE pacific and ABFPL in India. Also, GE Pacific’s Indian subsidiaries, namely, GEIPL and GE Drilling have no vertical relationship with ABFPL. The Commission observed that ABFPL purchases certain product/services from the GE group companies in its ordinary course of



business. In this regard, the Commission observed such arrangements are insignificant so as to cause any competition concern.

9. Considering facts on record and 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 the Proposed Combination is not likely to have appreciable adverse effect 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 is confidential at this stage in terms of and subject to provisions of Section 57 of the Act.
12. The Secretary is directed to communicate to the Parties accordingly.