

COMPETITION COMMISSION OF INDIA

17th January, 2012

Combination Registration No.: C-2012/01/20

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

1. On 10th January, 2012, the Competition Commission of India (hereinafter referred to as the "**Commission**") received a notice of the proposed combination between Shriram Holdings (Madras) Private Limited (hereinafter referred to as "**SHMPL**") and Shriram Transport Finance Company Limited (hereinafter referred to as "**STFC**"), under sub-section (2) of Section 6 of the Competition Act, 2002 (hereinafter referred to as the "**Act**").
2. The proposed combination is an amalgamation of SHMPL into STFC pursuant to a scheme of amalgamation under Sections 391 to 394 and Sections 100 to 103 of the Companies Act, 1956. As a result of the proposed combination, SHMPL would cease to exist and STFC would be the surviving entity after the amalgamation.
3. The proposed amalgamation is a combination under Section 5(c) of the Act.
4. SHMPL is a private company limited by shares incorporated under the provisions of Companies Act, 1956. It has been stated in the notice that SHMPL's only activity is holding of shares of the STFC. SHMPL is presently holding 41.2 per cent of the shares of STFC. As per the details disclosed in the notice, the shares of SHMPL are held by Shriram Capital Ltd. (hereinafter referred to as "**SCL**") to the extent of 50.17 per cent, Newbridge India Investments II Ltd. (hereinafter referred to as "**Newbridge**") to the extent of 49 per cent and the rest to the extent of 0.83 per cent by others. As per the details provided in its website, SCL provides various financial services including chit funds, life insurance, general insurance, retail stock broking etc. The draft prospectus of STFC dated 6th June, 2011 identifies Newbridge as a group company of TPG Group which in turn is an investment firm making investments in various sectors including financial services, travel and entertainment, technology, retail, consumer products, healthcare, and media and communications.
5. STFC, incorporated under the provisions of the Companies Act, 1956, is a Non-Banking Financial Company engaged in the business of financing pre-owned and new commercial vehicles and equipment finance.
6. It has been stated in the notice that the proposed combination is being undertaken as a measure towards reducing shareholding tiers in STFC and optimizing administrative costs, by having direct shareholding of SHMPL's shareholders in STFC. Pursuant to

the implementation of the proposed amalgamation, the shareholders of SHMPL namely SCL, Newbridge and others would be issued the shares of STFC to the extent of 20.7 per cent, 20.2 percent and 0.3 per cent respectively, the aggregate of which amounts to the present shareholding of SHMPL in STFC i.e. 41.2 per cent.

7. It is observed that the aggregate of shares held by SCL, Newbridge and other shareholders of SHMPL in STFC, directly and/or indirectly, before and after the proposed combination remains the same and the proposed combination is not likely to give rise to any adverse competition concern.
8. 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.
9. This approval is without prejudice to any other legal/statutory obligations as applicable.
10. This order shall stand revoked if, at any time, the information provided by the parties to the combination is found to be incorrect.
11. The Secretary is directed to communicate to SHMPL and STFC accordingly.



Certified True Copy

[Handwritten Signature]
20/1/12
ANIL K. VASHISHT
Office Manager
Competition Commission of India
New Delhi