

COMPETITION COMMISSION OF INDIA

30th January, 2013

Combination Registration No.: C-2013/01/106

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

1. On 11th January, 2013, the Competition Commission of India (hereinafter referred to as the “**Commission**”) received a notice under sub-section (2) of Section 6 of the Competition Act, 2002 (hereinafter referred to as the “**Act**”) given by SABIC Research and Technology Private Limited (hereinafter referred to as “**SRTPL**”), a part of the SABIC group of companies (hereinafter referred to as “**SABIC Group**”).
2. The proposed combination relates to the acquisition of certain assets and equipments (hereinafter referred to as the “**Assets**”) by SRTPL, from GE India Technology Centre Private Limited (hereinafter referred to as “**GEITC**”), which SRTPL intends to use for performing research and development (**R&D**) activities in order to support SABIC Group’s business. The notice was given pursuant to the execution of an Asset Transfer Agreement between GEITC and SRTPL on 17th December, 2012 (hereinafter referred to as the “**ATA**”).
3. The proposed combination falls under Section 5 (a) of the Act.
4. SRTPL, a company incorporated in India, is stated to be engaged in R&D activities in chemicals and polymers supporting the business units of the SABIC Group which is stated to be engaged in the production of commodity-grade plastics as well as high-grade engineering thermoplastic products. Saudi Basic Industries Corporation, based in Saudi Arabia, indirectly holds 100 per cent of the shares in SRTPL.
5. GEITC, a company incorporated in India and a part of the GE group of companies (hereinafter referred to as “**GE Group**”), is stated to be a multi-disciplinary captive support centre providing IT enabled service in the nature of software development, engineering design and analysis services through, among other activities, R&D activities to other GE Group companies outside India in the areas of mechanical engineering, electronic and electrical system technology, ceramics and metallurgy, catalysis and advanced chemistry, chemical engineering and process, polymer science and new synthetic materials, process modelling and simulation, power electronics and analysis technologies. General Electric Company incorporated in USA (**GE**), indirectly holds 100 per cent of the shares in GEITC.
6. It is stated in the notice that in the year 2007, GE and SABIC Holding Europe B.V. & SABIC Innovative Plastics Holding B.V. (hereinafter SABIC Holding Europe B.V. & SABIC Innovative Plastics Holding B.V. are collectively referred to as “**SABIC B.V.**”) have entered into written agreements pursuant to which GE agreed to sell, and procure

its relevant affiliates to sell, and SABIC B.V. agreed to purchase, and procure its relevant affiliates to purchase, from GE and its relevant affiliates, the plastics business comprising of, among other things, research and application-development assets relating to the plastics business. It has also been stated in the notice that the ATA is being executed pursuant to the terms of above said agreements in order to give effect to the transfer of the assets, by and between GEITC and SRTPL, who are affiliates of GE and SABIC B.V. respectively.

7. From the details provided in the notice and other information available on record, it is observed that both GEITC and SRTPL are the service providers to their respective group entities. Further, the Assets, which are being acquired by SRTPL pursuant to the proposed combination, are used by GEITC for rendering R&D services to other GE Group companies and as stated in the notice, SRTPL also intends to use the Assets for rendering R&D services only to the SABIC Group companies. The proposed combination is, therefore, not likely to have any adverse competition concern in India.
8. Considering the facts on record and the details provided in the notice, 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 SRTPL accordingly.