



Fair Competition  
For Greater Good

**COMPETITION COMMISSION OF INDIA**  
(Combination Registration No. C-2013/11/139)

**10.12.2013**

**Notice u/s 6 (2) of the Competition Act, 2002 jointly given by:**

- Alstom Bharat Forge Power Limited (“**ABFPL**”); and
- Kalyani Alstom Power Limited (“**KAPL**”).

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

1. On 20<sup>th</sup> November, 2013, the Competition Commission of India (hereinafter referred to as the “**Commission**”) received a notice, of a proposed combination, under sub-section (2) of Section 6 of the Competition Act, 2002 (hereinafter referred to as the “**Act**”) given jointly by ABFPL and KAPL. The notice has been given pursuant to the approval by the Board of Directors of ABFPL and KAPL of the scheme of amalgamation under the relevant provisions of the Companies Act, 1956 and the Companies Act, 2013 (“**Scheme of Amalgamation**”), through separate board resolutions, each dated 22<sup>nd</sup> October, 2013.
2. Under the proposed combination, KAPL will merge into ABFPL pursuant to the Scheme of Amalgamation, as a result of which, KAPL will cease to exist and all the assets and liabilities of KAPL would be transferred to ABFPL. Post combination, ABFPL will be the surviving entity.
3. The proposed combination falls under Section 5(c) of the Act.
4. As per the information given in the notice, ABFPL is an unlisted public company incorporated under the provisions of the Companies Act, 1956 and is stated to be a joint venture between Alstom Power Holdings S.A.



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which currently holds 51 per cent of the equity shareholding of ABFPL, and Bharat Forge Limited, which holds the remaining 49 per cent equity share capital of ABFPL. It is stated in the notice that ABFPL was set up for manufacturing steam turbines and generators for thermal power projects, in the sub-critical and super-critical range, with manufacturing capacity of power equipment of upto 5000 MW per year. As per the information given in the notice, ABFPL has, so far, secured two projects of National Thermal Power Corporation, which are under execution. ABFPL is stated to be setting up a manufacturing facility which is scheduled to commence operations in 2015.

5. KAPL is also stated to be an unlisted public company incorporated under the provisions of the Companies Act, 1956 and is a joint venture between Bharat Forge Limited, which currently holds 51 per cent of the equity shareholding of KAPL, and Alstom Power Holdings S.A., which holds the remaining 49 per cent of the equity shareholding of KAPL. As stated in the notice, KAPL was set up to manufacture heat exchangers and other auxiliary equipments for steam turbine generator islands in the range of 300 MW to 800 MW for sub-critical and super-critical thermal power applications. Further, as stated in the notice, KAPL commenced construction of its factory; however, the construction has since been stopped.
6. It is observed from the information given in the notice that post combination, the ultimate control over the business activities of ABFPL and KAPL, which would merge in ABFPL, would continue to be under the joint control of the Alstom Power Holdings S.A. and Bharat Forge Limited.
7. As stated, ABFPL is in the business of manufacturing and selling of steam turbines and generators, whereas KAPL is in the business of manufacturing heat exchangers and other auxiliary equipment(s) for



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steam turbine generators. As such, presently there exists no horizontal overlap between the activities of ABFPL and KAPL, in India. Further, as stated in the notice, it was envisaged that the products of ABFPL and KAPL would be complementary to each other for the setting up of turbine islands for sub-critical and super-critical technology based power plants. However, KAPL has not started any business activity and has also stopped construction of its manufacturing plant and ABFPL has also not supplied any products to KAPL. Further, ABFPL's manufacturing facility is scheduled to commence operations in 2015.

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 combination after considering the relevant factors mentioned 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 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 notifying parties is found to be incorrect.
11. The Secretary is directed to communicate to ABFPL and KAPL accordingly.

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(Ashok Chawla)

Chairperson



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(Geeta Gouri)

Member

-sd-

(Anurag Goel)

Member

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(M. L. Tayal)

Member

-sd-

(S.L. Bunker)

Member