



COMPETITION COMMISSION OF INDIA

(Combination Registration No. C-2015/10/335)



*Fair Competition
For Greater Good*

06.01.2016

Notice under Section 6 (2) of the Competition Act, 2002 (“Act”) given by Suraksha Realty Limited, Vijay Suraksha Realty LLP, Sejraj Financial Services LLP, Fortune Integrated Assets Finance Limited, and Vision Finstock LLP.

CORAM:

Mr. S. L. Bunker

Member

Mr. Sudhir Mital

Member

Mr. Augustine Peter

Member

Mr. U.C. Nahta

Member

Mr. M.S. Sahoo

Member

Mr. G.P. Mittal

Member

Legal Representative: P. H. Bathiya & Associates

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

1. On 30.10.2015¹, Suraksha Realty Limited (“**Suraksha**”), Vijay Suraksha Realty LLP (“**Vijay Suraksha**”), Sejraj Financial Services LLP (“**Sejraj**”), Fortune Integrated Assets Finance Limited (“**Fortune Integrated**”), and Vision Finstock LLP (“**Vision**”) (Suraksha, Vijay Suraksha, Sejraj, Fortune Integrated and Vision collectively referred to as the “**Acquirers**”) filed a notice under sub-section (2) of Section 6 of the Act in relation to a transaction viz., the proposed acquisition of five wind power generation plants (**Target Plants**) by the Acquirers from Jaiprakash Associates Limited (“**Jaypee**” or “**Seller**”), pursuant to the execution of Business Transfer Agreement (“**BTA**”) entered into and between Acquirers & Seller on 30.09.2015. Acquirers and Seller are collectively referred to as the “**Parties**”.

¹While filing the notice on 30.10.2015, Acquirers had submitted an undertaking to furnish certain information at a later date which was subsequently filed on 20.11.2015. Hence, 20.11.2015 is the effective date of filing the notice.



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2. As per the notice, the proposed combination relates to the acquisition of Target Plants located in the states of Gujarat and Maharashtra, having a combined installed power-generation capacity of 49 Megawatts (MW) by the Acquirers from the Seller, as a going-concern on a slump-sale basis (“**Proposed Combination**”). As per the terms of BTA, upon the consummation of the proposed combination, the Seller shall be considered to have ceased to carry on the business of the said wind power generation plants and the Jaypee Group will exit from business of wind power generation and will remain in the business of generation and transmission of hydro & thermal power.
3. The Proposed Combination falls under section 5(a) of the Act.
4. In terms of Regulation 14 of Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 (‘**Combination Regulations**’), vide letter dated 03.12.2015, the Acquirers were required to remove certain defects and provide requisite information/document(s) by 21.12.2015. The Acquirers submitted their partial response on 21.12.2015 and complete response on 28.12.2015.
5. Suraksha is an unlisted Indian public company engaged in the business of construction (Real Estate) in and around Mumbai.
6. Vijay Suraksha is an Indian LLP engaged in the business of construction of residential units in Thane (Maharashtra).
7. Sejraj is an Indian LLP engaged in the business of construction (Real Estate) in and around Mumbai.
8. Fortune Integrated, an unlisted Indian public company, is an Asset Finance Company registered with the RBI. It is engaged in the business of commercial vehicle financing of 3-wheelers, small commercial vehicles, and 2-wheelers.
9. Vision is an Indian LLP engaged in the business of construction (Real Estate) in and around Mumbai.
10. Jaypee, a listed Indian public company, is the flagship company of the Jaypee group. It is engaged in business activities in the fields of civil engineering construction, manufacture and marketing of cement, hospitality, power, real estate, and sports.
11. As stated in the notice Alfa Infraprop Pvt. Ltd. (“**Alfa**”), Lakshdeep Investments and Finance Pvt. Ltd. (“**Lakshdeep**”), Real Gold Developers LLP (“**Real Gold**”), and Real Captive Power Private Limited (“**Real Captive**”) are, directly/indirectly, engaged in the power generation sector. Suraksha Group, directly/indirectly, has shareholding in Alfa, Lakshdeep, Real Gold and Real Captive.



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12. As per the information provided in the notice, the all-India installed capacity of power generation stood at 2,78,733 MW for the period ended September-2015². As stated in the notice, the share of Suraksha Group (to which the five Acquirers belong) in the total installed capacity of power-generation in India is less than one percent, both in the pre-combination as well as the post-combination scenario. It is further stated in the notice that the market for power-generation in India is characterised by the presence of several significant players, such as, Adani Power, Tata Power, Essar Power and JSW Energy which have much higher installed capacities of power-generation in India as compared to that of Suraksha Group. In view of the foregoing, the existing horizontal overlaps are not significant enough to give rise to any appreciable adverse effect on competition in India (“AAEC”).
13. With respect to vertical relationship, the Acquirers have stated in the notice that Suraksha Group holds 6.1% shareholding of Suzlon Energy Ltd. (“Suzlon”) which is engaged in the business of manufacturing wind power generation turbines. It has further been stated in the notice that the estimated share of Suzlon in the total installed wind-power generation capacity in India is 19.41% and that the Suraksha Group itself is not engaged in the business of manufacturing wind power generation turbines. In view of the foregoing, vertical relationship is unlikely to give rise to any AAEC.
14. Considering the facts on record and the 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 an appreciable adverse effect on competition in India and, therefore, the Commission hereby approves the same under sub-section (1) of section 31 of the Act.
15. This order shall stand revoked if, at any time, the information provided by the Parties is found to be incorrect.
16. The Secretary is directed to communicate to the Parties accordingly.

²Executive Summary on Power Sector (September-15), Central Electricity Authority, Ministry of Power, Government of India.