



सत्यमेव जयते



Fair Competition
For Greater Good

**COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2015/03/254)**

29.04.2015

Notice under Section 6(2) of the Competition Act, 2002 given by

- **Aalok Dilip Shanghvi & Others.**

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

1. On 9th March 2015, 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 (“**Act**”) filed by Mr. Aalok D. Shanghvi, Family Investment Pvt. Ltd. (**‘Family Investment’**), Quality Investment Pvt. Ltd. (**‘Quality Investment’**), Tejaskiran Pharmachem Industries Pvt. Ltd. (**‘Tejaskiran’**), Viditi Investment Pvt. Ltd. (**‘Viditi’**), Virtuous Finance Pvt. Ltd. (**‘Virtuous Finance’**), Virtuous Share Investments Pvt. Ltd. (**‘Virtuous Share’**), Ms. Vibha Dilip Shanghvi, Ms. Vidhi Dilip Shanghvi, Mr. Sudhir V. Valia, Ms. Raksha S. Valia, Mr. Vijay M. Parekh, Mr. Paresh M. Parekh, M/s. Sunrise Associates, M/s. Goldenstar Enterprises, M/s. Pioneer Resources, M/s. Expert Vision, Neostar Developers LLP (**‘Neostar’**), Real Gold Developers LLP (**‘Real Gold’**) and Suraksha Buildwell LLP (**‘Suraksha’**) (Hereinafter collectively referred to as **‘Acquirers’**) regarding proposed acquisition of shares in Suzlon Energy Limited (“**Suzlon**”). (Hereinafter the Acquirers and Suzlon are collectively referred to as **‘Parties’**)
2. The notice was given pursuant to a Share Subscription Agreement (**‘SSA’**) entered between the Acquirers and Suzlon on 13th February, 2015 and a Share Holders’ Agreement (**‘SHA’**) entered between the existing promoters of Suzlon, the Acquirers and Suzlon on 13th February, 2015.
3. The proposed combination relates to the acquisition of 16.49 per cent shares of Suzlon on a fully diluted basis by way of subscription to equity shares pursuant to the SSA. Additionally, the Acquirers intend to acquire upto 26 per cent shares of Suzlon from the public under an open offer. In the event the open offer is fully accepted, the



सत्यमेव जयते



Fair Competition
For Greater Good

**COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2015/03/254)**

Acquirers will post combination hold 42.49 per cent shares of Suzlon, on a fully diluted basis.

4. In terms of Regulation 14 of the Competition Commission of India (Procedure in regard to transaction of business relating to combinations) Regulations, 2011 (“**Combination Regulations**”), vide letter dated 18th March, 2015, the Acquirers were required to remove certain defects and provide information/document(s) latest by 25th March, 2015. The Acquirers filed their response vide letter dated 31st March, 2015 after seeking an extension. The Acquirers also filed the voluntary responses in this regard vide letters dated 9th April 2015, 10th April, 2015 and 21st April, 2015, respectively. As the response dated 31st March, 2015 was found to be incomplete, a letter was sent to the Acquirers on 16th April, 2015. The Acquirers submitted their reply, in this regard on 20th April, 2015. As the said reply was found to be incomplete, a letter in continuation was sent on 23rd April, 2015. The Acquirers submitted their reply on 27th April, 2015. A letter was again sent to the Acquirers on 27th April, 2015 for removing certain defects to which the Acquirers submitted their reply on 28th April, 2015.
5. Suzlon, a public listed company in India, is inter-alia engaged in the business of designing, developing, manufacturing and supply of wind turbine generators (including components) of a range of capacities; operations and maintenance services; developing assets in renewable energy sectors; and matters related or ancillary to such business like land sourcing, wind resource assessment, infrastructure development, installation and commissioning, operation and maintenance of wind farms etc. As per the information provided by the Acquirers, Suzlon is also engaged in limited power generation activities both for power supply to state electricity boards and for captive consumption.
6. As stated in the notice, Family Investment, Quality Investment, Tejaskiran, Viditi, Virtuous Finance and Virtuous Share are registered with the Reserve Bank of India as non-deposit taking non-banking financial companies. Mr. Aalok D. Shanghvi, Ms. Vibha Dilip Shanghvi and Ms. Vidhi Dilip Shanghvi are stated to have investments in



सत्यमेव जयते



Fair Competition
For Greater Good

COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2015/03/254)

various businesses including pharmaceutical, real estate, finance etc. Mr. Sudhir V. Valia is involved in various businesses including pharmaceutical, real estate, finance, coal and solar based power generation. Ms. Raksha S. Valia holds passive investments in various companies in the real estate, pharmaceutical, finance etc. Mr. Vijay M. Parekh and Mr. Paresh M. Parekh own interests in various businesses in the real estate sector. Sunrise Associates, Goldenstar Enterprises, Pioneer Resources, and Expert Vision are newly formed partnership firms controlled by Mr. Aalok Dilip Shanghvi and his family which are engaged in consultancy, advisory services and strategic investment in securities and allied businesses. However, these entities are at present not engaged in any significant business operations. Neostar, Real Gold and Suraksha are limited liability partnerships which are stated to be engaged in the business of acquisition and development of real estate. However, as stated in the notice, these entities are not currently engaged in any real estate projects.

7. It is observed that the Acquirers have affirmative rights on certain matters pertaining to Suzlon. However, these rights are in the form of investor protection rights only. Further, based on the submissions of the Acquirers, it is noted that pursuant to the proposed combination, there would be no change in control of Suzlon irrespective of shareholding of the Acquirers in Suzlon post combination. As per the provisions of the SHA, the existing promoters of Suzlon would continue to have control on its day to day management.
8. With regard to the activities of the parties to combination, it is observed that Suzlon is primarily a manufacturer of wind turbine generators (“WTG”), whereas none of the Acquirers are engaged in the production of WTG.
9. It is also noted that both Suzlon and the entities controlled by some of the Acquirers are engaged in wind power generation. In this regard, it is observed that while wind power generated by Suzlon is used for captive consumption and for supply to state electricity boards, on the other hand, the affiliates of Acquirers generate wind power for captive



Fair Competition
For Greater Good

COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2015/03/254)

consumption purposes only. In view of the foregoing and insignificant horizontal overlap between the parties to the combination, the proposed combination is not likely to raise any competition concern in India.

10. 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.
11. This approval is without prejudice to any other legal/statutory obligations as applicable.
12. This order shall stand revoked if, at any time, the information provided by the parties is found to be incorrect.
13. The Secretary is directed to communicate to the Acquirer accordingly.