



Bangalore Chamber of Industry and Commerce

No.1A, Bharat Apartments, 44/1, Fairfield Layout, Race Course Road, Bangalore 560001
Tel: 22286080 – 82; Fax: 22251475; e-mail: bcic@bcic.org.in; website: www.bcic.org.in

Report on the Outreach Programme on “Combination Regulations” on Tuesday, April 26, 2011

The Competition Commission of India in association with Bangalore Chamber of Industry and Commerce (BCIC) and Institute of Company Secretaries of India – Bangalore Chapter organized the above Programme on “**Combination Regulations**” on April 26, 2011.

The Union Government had notified the provisions relating to Combination Regulations on March 4, 2011 enforcing Section 5, 6, 20, 29, 30 and 31 of the Competition Act w.e.f. June 1, 2011. Competition Commission of India (CCI) hopes to finalize the Notification of new Combination Regulations with appropriate guidelines by June 2011. Competition Commission of India which already has held several consultative meetings with industry organizations, law associations and international entities, continued a similar exercise with the industry bodies and stake holders at the above meeting under the auspices of Bangalore Chamber of Industry and Commerce (BCIC).

Mr. Shekar Viswanathan, President, BCIC in his welcome address said that the CCI's exercise of consultative meeting with the industry is a welcome move . He hoped that CCI would bring more clarity on some of the issues like Section 18 of the Competition Act, threshold limits and Section 19 relating to the Approach to the Cartels through information filed by the complainant. He said the exercise to put in place the Combination Regulations was imperative in the light of a steady increase in Mergers and Acquisitions and a structured approach to monitor the activities would remove the impediments to the growth of business and the economy.

Mr. Pravin Purwar, Advisor (FA), Competition Commission of India in his presentation explained the various provisions of the Regulations that included the jurisdiction of CCI, threshold limits of mergers and acquisition with qualifying parameters of threshold limits based on Asset value and turnover which are being brought under the ambit of the Combination Regulations. The time line for the CCI's approval has been set at 210 days, which compares with the best practices followed by various countries.

He said that the draft envisages co-ordinating review of mergers raising competitive issues of common concerns, coordination in accordance with applicable laws / other legal instruments and doctrines. Notification thresholds have been formulated on clear

and understandable terms which are based on objectively quantifiable criteria and based on information readily accessible to the merging parties. Definitive character of the regulation exemplifies in the parameters based on assets and turnover and not in terms of subjective criterion, he said adding that there is a great amount of flexibility built into the regulations another significant point is the high priority given to confidentiality. Making information about law, policy and practice readily available to the public, while protecting business secrets etc and balance between confidentiality of third party submissions and procedural fairness are among the other important ingredient.

Addressing the members, Dr. Geeta Gouri, Member, Competition Commission of India outlined the objectives and the proposals in the Combination Regulations' and responded to several questions with a rider that she was only collecting the opinions with regard to the provisions in the proposed regulatory measures. Dr. Geeta Gouri said that the proposals reflect the basic considerations of dynamics of economic and business growth ably synergizing with the market dynamics to enable the process of Mergers and Acquisitions. The regulations should be sensitive to these dispensations and we are gearing up ourselves in the Competition Commission, Dr. Geeta Gouri further added.

She sought to allay the apprehension of the industry on Section 5 & 6 of the Regulations and said CCI had taken a pragmatic view in the light of the challenges posed by international character of Mergers and acquisitions. She also reassured the industry that the Regulations were planned in a manner that it did not come into conflict with the basic laws of Mergers Law of Mergers and Acquisitions.

The presentations were followed by an interactive session wherein the speakers answered to all the queries of the participants.

The large attendance by representatives from various organizations including the Confederation of Indian Industry, Federation of Karnataka Chambers of Commerce and representatives from law firms and specialized agencies dealing with Corporate Mergers and Acquisitions underlined the importance of the Programme.

Mr. Ganapathi Bhat, Chairman, ICSI – Bangalore Chapter proposed a hearty vote of thanks to all the Speakers and said that the interactions were more focused and purposeful.