



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2020/11/784)

30th December 2020

Notice under Section 6 (2) of the Competition Act, 2002 given by Jamnalal Sons Private Limited

CORAM:

Mr. Ashok Kumar Gupta
Chairperson

Ms. Sangeeta Verma
Member

Mr. Bhagwant Singh Bishnoi
Member

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

1. On 9th November 2020, the Competition Commission of India (“**Commission**”) received a notice under Section 6(2) of the Competition Act, 2002 (“**Act**”), given by Jamnalal Sons Private Limited (“**JSPL/Acquirer**”). The notice was filed pursuant to the execution of Share Purchase Agreement (“**SPA**”) between JSPL and Mukand Limited (“**Mukand/Seller**”) on 5th November 2020.
2. The Proposed Combination relates to acquisition of upto 51% of the equity share capital of Mukand Sumi Special Steel Limited (“**MSSSL/Target**”) from Mukand by JSPL. [Hereinafter, the Acquirer and the Target are collectively referred to as “**Parties**”.] MSSSL is a 51:49 joint venture (“**JV**”) between Mukand and Sumitomo Corporation



(Japan), respectively. As per the Proposed Combination, Mukand will exit the JV and its entire shareholding in MSSSL will be acquired by JSPL.

3. In terms of Regulation 14(3) of the Competition Commission of India (Procedure in Regard to the transaction of Business relating to Combinations) Regulations, 2011 (“**Combination Regulations**”), the Commission *vide* email dated 24th November 2020, sought certain information and clarifications, *inter alia*, on transaction and shareholdings from the Acquirer. The response was filed on 8th December 2020.
4. JSPL belongs to the Bajaj Group of Companies and its ultimate control lies with Bajaj Sevashram Private Limited (“**BSPL**”). It is an unregistered core investment company and its principal businesses include investing in shares and securities of Bajaj Group companies, units of mutual funds and lending to group companies within the Bajaj Group. It is not engaged in the manufacturing or trading activities.
5. Mukand is the holding company of MSSSL and is a part of the Bajaj Group of Companies. It operates in the steel sector. It is engaged in the business of manufacturing of carbon, alloy and stainless-steel bars, rods, *etc.* Mukand also has a machine building division. Mukand, through its subsidiary Mukand Sumi Metal Processing Limited (“**MSMPL**”) is engaged in the business of manufacturing of bright bars and wires.
6. MSSSL belongs to the same group as JSPL. MSSSL is engaged in the business of manufacturing, marketing, selling, distribution, *etc.*, of special and alloy steel long products such as hot rolled bars and hot rolled wire rods. Further, it is submitted that, MSSSL does not hold shares in any other company.
7. Based on the submissions, Mukand, MSSSL and JSPL are all entities belonging to the Bajaj Group. By virtue of JSPL holding shares in Mukand, which in turn holds shares in MSSSL, JSPL has indirect interest in MSSSL and consequently in long steel products. It is further submitted that other than an interest in Mukand and indirect interest in Mukand’s subsidiaries, JSPL is not directly or indirectly engaged in the (a) production,



- distribution or trading of similar/ identical/ substitutable products or provision of similar/ identical/ substitutable services; and/or (b) any activity relating to the production, supply, distribution, storage, sale and service or trade in products or provision of services which is at different stages or levels of the production chain in which MSSSL to the combination is involved; and/or (c) complementary activities.
8. The Commission decided to leave the delineation of the relevant market open as it was observed that the Proposed Combination is not likely to cause an appreciable adverse effect on competition in any of the relevant markets.
 9. Even if an assessment based on market shares was to be conducted, the combined market share of JSPL (through Mukand) and MSSSL is insignificant in the market for long steel products in India with presence of several big players.
 10. Considering the material on record including the details provided in the Notice and the assessment of the Proposed Combination based on the factors stated in Section 20(4) of the Act, the Commission is of the opinion that the Proposed Combination is not likely to have any appreciable adverse effect on competition in India. Therefore, the Commission approves the Proposed Combination under Section 31(1) of the Act. Further, the Commission observed that non-compete clause is not ancillary to the combination.
 11. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.
 12. The information provided by the Acquirer shall be treated as confidential in terms of and subject to provisions of Section 57 of the Act.
 13. The Secretary is directed to communicate to the Acquirer accordingly.