



**COMPETITION COMMISSION OF INDIA**  
(Combination Registration No. C-2018/11/611)

**19<sup>th</sup> December, 2018**

**Notice under Section 6 (2) of the Competition Act, 2002 jointly filed by BCP Topco VI Pte. Ltd., Singapore VII Topco III Pte. Ltd. and Sona BLW Precision Forgings Ltd.**

**CORAM:**

**Mr. Ashok Kumar Gupta**  
Chairperson

**Mr. Augustine Peter**  
Member

**Mr. U.C. Nahta**  
Member

**Legal Representative of the Parties:** Shardul Amarchand Mangaldas

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

1. On 01<sup>st</sup> November, 2018, the Competition Commission of India (**Commission**) received a notice jointly filed under sub-section (2) of Section 6 of the Competition Act, 2002 (**Act**) by BCP Topco VI Pte. Ltd. (**BCP Topco**), Singapore VII Topco III Pte. Ltd. (**Singapore Topco**) (BCP Topco and Singapore Topco are collectively referred to as the **Investors**) and Sona BLW Precision Forgings Ltd. (**Sona India**) pursuant to the various agreements executed on 16<sup>th</sup> October, 2018. (Hereinafter, Investors and Sona India are collectively referred to as **Parties**).
2. Vide letter dated 13<sup>th</sup> November, 2018, Parties also submitted information *inter alia* on an overview of their products and computation of market shares in terms of Regulation 14 of the Competition Commission of India (Procedure in regard to the transaction of Business relating to Combinations) Regulations, 2011 (**Combination Regulations**).



3. In terms of Regulation 14 of the Combination Regulations, vide e-mail dated 22<sup>nd</sup> November, 2018 and letter dated 6<sup>th</sup> December, 2018 certain information *inter alia* relating to financial statements and overlaps between the businesses of the parties to the Proposed Combination was sought. The responses to these letters were submitted on 26<sup>th</sup> November, 2018 and 10<sup>th</sup> December, 2018, respectively.
4. BCP Topco, a special purpose vehicle (**SPV**) incorporated under the laws of Singapore for the purpose of the Proposed Combination, is an affiliate of funds advised or managed by entities/affiliates of the Blackstone Group L.P (**Blackstone**). Blackstone, headquartered in the United States, is a global alternative asset manager and operates as an investment management firm. Further, it has been submitted that BCP Topco may assign its rights and obligations in connection with the Proposed Combination to Singapore Topco.
5. Singapore Topco, incorporated under the laws of Singapore, is controlled by funds advised or managed by Blackstone. Singapore Topco has two wholly owned subsidiaries namely Comstar Automotive Technologies Pvt. Ltd. (**Comstar India**) and Comstar Automotive Hong Kong Limited (**Comstar HK**) (Comstar India and Comstar HK are collectively referred to as **Comstar Entities**). Comstar India, incorporated in India, is engaged in manufacture of starter motors and alternators and is an export-oriented unit. Comstar India has one wholly owned subsidiary in India i.e., Comstar Automotive Technology Services Private Limited, which is engaged in the provision of business support services relating to, *inter alia*, purchase, sale, design, accounting, treasury, financial and computer related software consultancy and other information services to one of its subsidiary. Comstar HK, incorporated in Hong Kong, does not have any physical presence in India.
6. Sona India, a public limited company incorporated in India, is engaged in the business of manufacturing precision forged bevel gears, differential case assemblies and other auto-components for automotive and other applications. Sona Autocomp Holding Private Limited (**SAHPL**), is the promoter and the holding company of Sona India and holds 67.44% shareholding with the remaining 32.56% being held



by JM Financial Trustee Company Private Limited (**JM**), which is a Venture Capital Fund registered with the Securities and Exchange Board of India. Sona India has a wholly-owned subsidiary Sona Holding B.V. (**Sona Netherlands**), and has presence in certain other countries through its subsidiaries.

7. The Proposed Combination consists of series of inter-connected steps and completion of certain transactions which are conditions precedent as set out in the agreements. The Proposed Combination envisages

- (i) carving out Sona Netherlands from Sona India to the extent that SAHPL will exercise direct control over it, as opposed to the indirect control that it currently exercises through Sona India
- (ii) acquisition of up to 66.28% share capital on a fully diluted basis in Sona India by BCP Topco, which may assign its rights and obligations in connection with this transaction to Singapore Topco.
- (iii) acquisition of 100% shares of the Comstar Entities by Sona India.

Post the Proposed Combination, the share capital of Sona India will be held by SAHPL and Investors only.

8. It has been submitted that Sona India and Comstar Entities are engaged in the auto-component industry, however, they do not offer products or services that can be regarded as interchangeable or substitutable. Sona India is primarily engaged in the manufacturing of bevel gears while Comstar India is primarily manufacturing starter motors and alternators. Based on the information provided by the parties, it appears that there is no horizontal overlap or vertical relationship between the businesses of the parties to the Proposed Combination.

9. Considering the facts on record, 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 proposed combination is not likely to have any 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. However,



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the Commission is of opinion that the non-compete obligation(s) envisaged by the parties is not ancillary to the Proposed Combination.

10. This order shall stand revoked if, at any time, the information provided by the Parties is found to be incorrect.
11. The information provided by the Parties shall be treated as confidential, at this stage, in terms of and subject to provisions of Section 57 of the Act.
12. The Secretary is directed to communicate to the Parties accordingly.