



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2021/06/845)

20th July 2021

Notice under Section 6(2) of the Competition Act, 2002 jointly given by Bajaj Sevashram Private Limited, Bachhraj & Company Private Limited, Bachhraj Factories Private Limited; and Sanraj Nayan Investments 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 15th June 2021, the Competition Commission of India ('**Commission**') received a notice under Section 6(2) of the Competition Act, 2002 ('**Act**'), jointly given by Bajaj Sevashram Private Limited ('**BSPL**'), Bachhraj & Company Private Limited ('**BCOPL**'), Bachhraj Factories Private Limited ('**BFPL**'), and Sanraj Nayan Investments Private Limited ('**SNIPL**') [Hereinafter, collectively referred to as



‘Acquirers’]. The notice was filed pursuant to the execution of Memorandum of Understanding (‘MoU’) dated 10th June 2021 between the Acquirers and the Sellers¹.

2. The Proposed Combination envisages the acquisition of up to 16.57 percent of the equity share capital of Mukand Limited (‘ML’/‘Target’) by the Acquirers from the Sellers, who are also the co-promoters of ML [Hereinafter, the Acquirers and the Target are collectively referred to as ‘Parties’]. All the Acquirers are part of the Bajaj Group of Companies (with BSPL being the ultimate controlling entity of Bajaj Group). Prior to the Proposed Combination, Bajaj Group and Shah Group (comprising Seller Group 1 and Seller Group 2) were holding around 57.70 percent and 16.45 percent of the issued and paid-up equity share capital of ML respectively. Pursuant to the Proposed Combination, the Shah Group will transfer their 16.45 percent shareholding, and Seller 3, which is also stated to be under joint control of the Bajaj Group and the Shah Group will also transfer its 0.11 percent shareholding to the Acquirers. Further, Mr. Rajesh V. Shah and Mr. Suketu V. Shah shall resign in their capacities as the Co-Chairman & Managing Director and Joint Managing Director respectively from the Board of Directors of the ML. Accordingly, the Proposed Combination will result in an increase in the shareholding of Bajaj Group in ML to around 74.27 percent and sole control of Bajaj Group over ML.
3. During the course of review of the Proposed Combination by the Commission, the Acquirers submitted certain information(s)/ clarification(s) *vide* email dated 14th July 2021.
4. The Acquirers are primarily investment and lending companies and are not engaged in the manufacturing or trading of any goods. BSPL, BFPL and SNIPL are all unregistered core investment companies holding shares in various Bajaj Group Companies. BCOPL

¹ Mr. Rajesh V. Shah, along with certain individuals/entities whom Mr. Rajesh V. Shah is authorised to represent constitute Seller Group 1/RVS Group; Mr. Suketu V. Shah, Smt. Czaee Suketu Shah along with certain individuals/entities they are authorised to represent and Isarnan Steels and Minerals Pvt. Ltd. constitute Seller Group 2/SVS Group); and Sidya Investments Limited is the third seller (Seller 3) [Seller Group 1, Seller Group 2 and Seller 3 are collectively referred to as the ‘Sellers’].



is registered as a non-deposit taking non-banking finance company ('NBFC') with the Reserve Bank of India ('RBI').

5. ML, incorporated in India, is engaged in the businesses of manufacturing, marketing, selling, exporting, and distribution of specialty steel long products; design, manufacture, assembly, and commissioning of industrial machinery, heavy duty cranes, and bulk material handling equipment; and execution, supervision and commissioning of industrial and infrastructure projects and manufacture of heavy machinery for process plants in ferrous and non-ferrous industries and turnkey projects.
6. The Commission observed that the Proposed Combination involves a change from existing joint control of the Bajaj Group and the Shah Group to sole control of the Bajaj Group over ML. In cases involving change from joint to sole control, the extent to which the parties competed with each other prior to change in control is primarily considered relevant for competition assessment.
7. Based on the information provided by the Acquirers, the Commission observed that the Bajaj Group does not have any other business similar (horizontal or vertical) to that carried out by the ML (and its subsidiary Mukand Sumi Metal Processing Limited ('MSMPL')) except for the business of Mukand Sumi Special Steel Limited ('MSSSL') - an indirect subsidiary of BSPL. Considering the operations of ML, MSMPL and MSSSL, the Commission observed that the Proposed Combination involves horizontal overlaps in the broader segment for long steel products which, *inter alia*, include (i) bars and rods and (ii) billets and blooms. Further, the Commission noted that the billets and blooms manufactured by ML are supplied to MSSSL, and a portion of the bars and wire rods produced by MSSSL are supplied to MSMPL.
8. The Commission assessed the Proposed Combination accordingly and decided to leave the delineation of the relevant market open, for the reasons detailed hereunder.



9. The Commission considered (i) the presence of the Bajaj Group in the overlapping segments; and (ii) the nature of change in control resulting from the Proposed Combination, and observed that the Proposed Combination is not likely to result in any significant changes in competition dynamics in any plausible relevant market that could be delineated.
10. Considering the material on record, including the details provided in the Notice and the assessment of the Proposed Combination based on 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.
11. This order shall stand revoked if, at any time, the information provided by the Acquirers is found to be incorrect.
12. The information provided by the Acquirers 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 Acquirers accordingly.