

**BEFORE  
THE COMPETITION COMMISSION OF INDIA**

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Notice under Section 6(2) of the Competition Act, 2002 read with Regulation 5 of the Competition Commission of India (Procedure in regard to the transaction of business relating to Combinations) Regulations, 2011 in relation to:



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**THE PROPOSED ACQUISITION OF SHAREHOLDING IN MUKAND  
LIMITED (ML),  
BY  
BAJAJ SEVASHRAM PRIVATE LIMITED (BSPL),  
BACHHRAJ & COMPANY PRIVATE LIMITED (BCOPL),  
BACHHRAJ FACTORIES PRIVATE LIMITED (BFPL); AND  
SANRAJ NAYAN INVESTMENTS PRIVATE LIMITED (SNIPL)**

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**SUMMARY OF THE PROPOSED COMBINATION**

**FILED THROUGH:**

<p><b>L&amp;L PARTNERS LAW OFFICES</b> <b>RUDRESH SINGH</b></p> 	<p><b>DESAI HARIBHAKTI &amp; CO</b> <b>DEEPAK SHAW</b></p> 
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## **Summary of the Proposed Combination**

(under regulation 13(1A) of the Combination Regulations)

1. This Form I is being filed by the **Acquirers**, which comprise of Bajaj Sevashram Private Limited (**BSPL**), Bachhraj & Company Private Limited (**BCOPL**), Bachhraj Factories Private Limited (**BFPL**), and Sanraj Nayan Investments Private Limited (**SNIPL**).
2. The Form is being filed to notify this Hon'ble Competition Commission of India (**Hon'ble Commission**) of the Proposed Transaction, *vide* which the Acquirers shall acquire a certain amount of share capital from the Sellers (defined here-in-after) and make a minority investment in Mukund Limited (**ML / Target Enterprise**).
3. The **Sellers** comprise of various individuals and entities that are a part of the Shah family group and Sidya Investments Limited. Currently, the Sellers and Acquirers are co-promoters of the Target Enterprise.

### **I. NAME OF THE PARTIES TO THE PROPOSED COMBINATION**

4. The Parties to the Proposed Combination are:
  - a. BSPL, BCOPL, BFPL and SNIPL / collectively, as Acquirers;
  - b. ML / Target Enterprise;

### **II. NATURE AND PURPOSE OF THE PROPOSED COMBINATION**

5. The Proposed Combination is an acquisition and constitutes a combination in terms of Section 5(a)(i)(A) of the Competition Act, 2002. The Proposed Combination is being carried out pursuant to the execution of a Memorandum of Understanding (MOU) between the parties which sets out the principal terms and conditions on which the Acquirers shall acquire the Sale Shares of the Target Enterprise from the Sellers. Further, as per the terms of the MOU, the Proposed Combination will be completed within a period of 9 (Nine) months from the execution of the MOU.

6. BSPL, BFPL and SNIPL are all unregistered core investment companies. BCOPL is registered as a non-banking finance company (**NBFC**) with the Reserve Bank of India. The Acquirers are investment and lending companies and are not engaged in the manufacturing or trading of any goods. The Target Enterprise is engaged in the business of manufacturing, marketing, selling, exporting distribution etc. of specialty steel long products and heavy machinery.
7. It is to be noted that 57.70% of the issued and paid-up equity capital of ML is held by the Acquirer Group, 0.11% of the equity shares is held by Sidya Investments Limited (a company jointly held by the Acquirer Group and Shah Group), 0.08% is held by other promoters, whilst the public too holds certain issued and paid-up equity shares in the equity share capital of ML. Some share capital is also held by the Shah family.
8. Summarily, upon the acquisition of the shares of Target Enterprise by the Acquirers from the Sellers, the shareholding of the Acquirer Group (of which the Acquirers are a part) in the Target Enterprise will increase, as a result of the minority investment. Acquirers will be entitled to exercise all attendant rights as such shareholders of the Target Enterprise that are available to all the shareholders of companies under the extant law. The Proposed Transaction will not result in any change in the market share of the Target Enterprise.

### **III. THE VALUES OF ASSETS AND TURNOVER FOR THE PURPOSE OF SEC 5 OF THE COMPETITION ACT**

9. The combined value of Assets and Turnover for financial year ending on 31<sup>st</sup> March, 2021 for Parties to the Proposed Combination are INR 16,385.12 Crores (Rupees Sixteen Thousand Three Hundred and Eighty Five Crores approximately) and INR 2,787.56 Crores (Rupees Two Thousand Seven Hundred and Eighty Seven Crores approximately) respectively. The total asset threshold specified in Section 5(a)(i)(A) of the Competition Act is exceeded.

#### **IV. THE PRODUCTS, SERVICES AND BUSINESS(ES) OF THE PARTIES TO THE COMBINATION**

10. Notably, the Acquirers are engaged in the activity of business and lending. The Target Enterprise is engaged in the business of manufacturing and selling long steel products. Therefore, there are no direct overlaps between the Acquirers and the Target Enterprise.

11. However, Mukand Sumi Special Steels Limited (**MSSSL**), a step-down subsidiary of one of the Acquirers, BSPL, is in the business of manufacturing, marketing, selling and distribution of the Products *i.e.* hot rolled bars and wire rods by rolling and finishing of blooms and billets. Similarly, Mukand Sumi Metal Processing Limited (**MSMPL**), a subsidiary of the Target Enterprise, is engaged in the business of manufacturing bright bars and wires. Products manufactured by MSSSL and MSMPL can be qualified as finished long steel products. In order to provide the Hon'ble Commission with a true, complete and comprehensive assessment of the Proposed Combination, the Parties have undertaken a competition analysis for the market of finished non-flat long steel products and accounted for MSSSL and MSMPL's market shares along with ML's. From the analysis it is amply clear that the collective market share of ML along with the step-down subsidiaries of the Parties to the Proposed Combination is very miniscule (less than 1%) on the basis of volume, value and install capacity, compared to the other significantly larger players that operate in the market.

#### **V. RELEVANT MARKET(S) TO WHICH THE COMBINATION RELATES**

12. As mentioned hereinabove, the relevant product market assessed for the purposes of making a competition assessment of the Proposed Transaction is the market for finished long steel products. Further, the relevant geographic market considered is pan-India.

**FILED THROUGH**

**L&L PARTNERS LAW OFFICES**

**RUDRESH SINGH**



**DESAI HARIBHAKTI & CO**

**DEEPAK SHAW**

