



Fair Competition
For Greater Good

COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2017/03/491)

31.03.2017

Notice filed under sub-section (2) of Section 6 of the Competition Act, 2002 given by NBCC (India) Limited

CORAM:

Mr. S. L. Bunker
Member

Mr. Sudhir Mital
Member

Mr. Augustine Peter
Member

Mr. U. C. Nahta
Member

Order under sub-section (1) of Section 31 of the Act

1. On 01.03.2017, the Competition Commission of India (“**Commission**”) received a notice under sub-section (2) of Section 6 of the Competition Act, 2002 (“**Act**”) given by NBCC (India) Limited. (“**NBCC**” / “**Acquirer**”) The Acquirer submitted certain information on 06.03.2017 as per the undertaking filed at the time of giving the notice.
2. The proposed combination relates to acquisition of 51% shareholding in Hindustan Steel Works Construction Limited (“**HSCL**”) by NBCC (“**Proposed Combination**”). For the purpose of the Proposed Combination, NBCC and HSCL have entered into non-binding term sheet on 23.02.2017, followed by a binding term sheet dated 27.03.2017. In this



Fair Competition
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regard NBCC has confirmed that there will not be any material change in terms of the Proposed Combination at the time of execution of definitive agreements. The Commission considered the submissions of NBCC and decided to take the same on record (Hereinafter HSCL and NBCC are collectively referred to as the “**Parties**”)

3. In terms of Regulation 14 of Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 (hereinafter referred to as “**Combination Regulations**”), vide letter dated 21.03.2017, the Parties were required to provide certain information/document(s) regarding nature of proposed combination, details regarding financial restructuring of HSCL, horizontal overlaps and market shares of the Parties. The Parties filed their partial response on 22.03.2017 and complete response on 27.03.2017.
4. NBCC, a Central Public Sector Enterprise (“**CPSE**”) under administrative control of the Ministry of Urban Development, is listed on both the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. NBCC, directly and through its subsidiaries is engaged in provision of construction services and operates in segments of project management consultancy (“**PMC**”); Engineering procurement and Construction (“**EPC**”); and real estate. NBCC has pan India presence and the company has also undertaken projects abroad.
5. HSCL, also an Indian CPSE, was incorporated as a construction agency of Government of India under Ministry of Steel, to mobilize indigenous capability for putting up integrated steel plants in the country. HSCL was initially set up to mobilize indigenous capability of putting up integrated steel plants. The company has now diversified into other sectors like civil construction, construction of buildings, roads, railway projects etc. It does not have presence in overseas market.
6. The Commission noted that NBCC and HSCL are both currently engaged in construction sector. The activities of the Parties overlap in the segments of PMC and EPC services for



Fair Competition
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construction activity. The Commission observed that the Parties do not have a significant presence in any of the markets likely to be affected by the Proposed Combination and the combined entity would continue to face competitive constraints from other significant players such as Larsen and Toubro, Reliance Infrastructure, NCC Limited, Gammon, Lanco etc. Therefore, the Commission is of the view that that the Proposed Combination is not likely to have any appreciable adverse effect on competition in any potential relevant market in India.

7. Considering facts on record and 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 the Proposed Combination is not likely to have 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.
8. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.
9. The information provided by the Acquirer is confidential at this stage in terms of and subject to provisions of Section 57 of the Act.
10. The Secretary is directed to communicate to the Acquirer accordingly.