



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2016/04/395)

13th June, 2016

Notice under Section 6 (2) of the Competition Act, 2002 jointly given by:

- EMC Limited
- McNally Bharat Engineering Company Limited
- McNally Sayaji Engineering Limited
- Kilburn Engineering Limited

CORAM:

Mr. S.L. Bunker
Member

Mr. Sudhir Mital
Member

Mr. Augustine Peter
Member

Mr. U.C. Nahta
Member

Mr. G.P. Mittal
Member

Legal Representative: M/s Khaitan & Co.

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

1. On 29th April, 2016, the Competition Commission of India (hereinafter referred to as the “**Commission**”) received a notice jointly given by EMC Limited (“**EMC**”), McNally Bharat Engineering Company Limited (“**MBECL**”), McNally Sayaji Engineering Limited (“**MSEL**”) and Kilburn Engineering Limited (“**Kilburn**”/“**Transferee**”) under Section 6 (2) of the Competition Act, 2002 (“**Act**”). (Hereinafter, EMC, MBECL and MSEL are collectively referred to as



“**Transferors**” and Transferors and Transferee are collectively referred to as “**Parties**” and individually as ‘Party’). The notice was filed pursuant to board resolutions, each dated 31st March, 2016, passed by the respective boards of MBECL, MSEL, EMC and Kilburn.

2. The proposed combination is an amalgamation of EMC, MBECL and MSEL into Kilburn, through a court approved scheme in accordance with the provisions of Sections 391 to 394 of the Companies Act, 1956, other applicable provisions of the Companies Act, 1956 and /or the Companies Act, 2013. As per the scheme of amalgamation, all assets, properties, agreements, rights, liabilities, debts, claim and employees of the Transferors shall stand transferred to the Transferee once the Scheme is approved by the High Court or National Company Law Tribunal, as applicable.
3. EMC is a public company, engaged in providing services relating to turnkey solutions/equipment for Transmission & Distribution (“**T & D**”) including supply of substations, electrical automation and electrification for power plants, cement plants etc. EMC offers turnkey solutions including designing, engineering, erection, testing and commissioning of lighting and illumination and fire protection systems for transmission, distribution and railway infrastructure.
4. MBECL is a public company listed on Bombay Stock Exchange (“**BSE**”) and National Stock Exchange (“**NSE**”) and is engaged in the activities *interalia*, relating to the steel plant building sector, equipment for the aluminium industry, lead and zinc processing, manufacture and supply of port equipment, civil construction, supply of substations of capacity up to 400 KV etc.
5. MSEL is a subsidiary of MBECL and is *interalia*, engaged in the following business activities: (i) manufacture and supply of equipment such as crushers, grinders, material handling and mineral processing equipment for the mineral and mining sector mainly iron, coal, steel, zinc and copper and other mineral businesses; (ii) manufacture and supply of equipment such as mobile crushing and screening plants, skid mounted crushing plants, concrete, asphalt and dry mixing plants for the construction sector; (iii) manufacture and supply of equipment like reactor building,



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main air lock doors for nuclear power industry; and (iv) custom made equipment for the steel industry as per the designs provided by the major steel plant equipment manufacturers.

6. Kilburn is a public company listed on the BSE. It is stated to be a Williamson Magor Group company with Williamson Magor and Company Ltd. holding 32.58 percent of the share capital of Kilburn. Kilburn is engaged in two business segments: (i) manufacture of supply of dryers for various industries viz. chemical, petrochemical, food, oil and gas, refinery, power plant, mineral, fertilizer, coal and steel; and (ii) manufacture and supply of specialized dryers for food industries such as tea, sugar, rice, paddy, coconut, salt and other food products.
7. Parties have stated that apart from the only horizontal overlap in the business activity of supplying sub-stations of capacity up to 400 KV (a sub-segment of the broader T&D equipment market) between MBECL and EMC, there is no overlap between the activities of the Parties. In this regard, the Commission observed that MBECL is jointly controlled¹ by EMC and Williamson Magor Group. Apart from above, it has been stated that there are no horizontal overlaps between the businesses carried on by Parties.
8. As per the submissions, Parties do not have any direct/indirect shareholding and/or control in enterprises that are engaged in the activities which are similar as that of any other Party.
9. It has also been stated in the notice that Parties are not engaged in 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 any other Party is involved.
10. Considering the facts on record and the details provided in the notice and assessment of the combination on the basis of factors stated in sub-section (4) of Section 20 of the Act, the Commission is of the opinion that combination is not

¹ *Combination Regn. No. C-2015/07/293, was approved by the Commission vide its order dated 1st September, 2015.*



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likely to have an 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.

11. This order shall stand revoked if, at any time, the information provided by the Parties is found to be incorrect.
12. The Secretary is directed to communicate to the Parties accordingly.