



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2018/01/554)

12th March, 2018

Notice under Section 6 (2) of the Competition Act filed by Melrose Industries PLC

CORAM:

Mr. Devender Kumar Sikri
Chairperson

Mr. Sudhir Mital
Member

Mr. Augustine Peter
Member

Mr. U.C. Nahta
Member

Mr. G.P. Mittal
Member

Legal Representative: AZB & Partners

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

1. On 31st January, 2018, the Competition Commission of India (hereinafter referred to as the “**Commission**”) received a notice filed by Melrose Industries PLC (“**Melrose**”/ “**Acquirer**”), pursuant to its public announcement dated 17th January, 2018 to acquire the entire issued and to be issued ordinary share capital of GKN Plc (“**GKN**”/ “**Target**”) by way of a public offer, under the provisions of the Takeover Code of United Kingdom (hereinafter, Melrose and GKN are collectively referred to as “**Parties**”).



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2. The proposed combination has been filed under sub-section (2) of Section 6 read with sub-section (a) of Section 5 of the Competition Act, 2002 (“Act”).
3. Melrose, a public limited company incorporated in England and Wales and listed on the London Stock Exchange (‘LSE’), specialises in acquisition and performance improvement of manufacturing businesses with a view to create value for its shareholders. It is stated by the Acquirer that currently, Melrose has investments in two companies namely; (a) Brush Holdings Ltd (“**Brush**”) that provides products and services for the energy sector; and (b) Nortek Inc (“**Nortek**”) that manufactures air management products, heating and cooling systems, wireless security, home automation and personal safety systems. Further, it has been submitted that though neither Brush nor Nortek has any direct presence in India, they supply following products to India (i) transformer products; (ii) generator products; (iii) audio and visual entertainment products and (iv) Ergonomic furniture products.
4. GKN, a public company incorporated in England and Wales and listed on the LSE, is primarily active in automotive and aerospace industries, powder metallurgy systems, switch gears and wheels as well as structures for off-highway vehicles. In India, GKN is present in the above said business segments, *inter alia*, through following subsidiaries: (a) GKN Driveline (India) Limited (b) GKN Drivetech Accessories Limited (c) Fokker Elmo SASMOS Interconnection Systems Limited and (d) GKN Sinter Metals Private Limited.
5. The Commission noted that Parties are not engaged in (i) production, distribution or trading of similar/identical/substitutable products and (ii) in any activity relating to the production, supply, distribution, storage, sale and service or trade in products which is at different stages or levels of the production chain.
6. 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 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.



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7. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.
8. The information provided by the Acquirer shall be treated as confidential in terms of and subject to provisions of Section 57 of the Act.
9. The Secretary is directed to communicate to the Acquirer accordingly.