



COMPETITION COMMISSION OF INDIA

(Combination Registration No. C-2018/04/563)

11th May, 2018

Notice under Section 6 (2) of the Competition Act, 2002 filed by Vedanta Limited.

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: Khaitan & Co.

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

1. On 6th April, 2018, the Competition Commission of India (hereinafter referred to as the “**Commission**”) received a notice filed by Vedanta Limited (“**Vedanta**”/“**Acquirer**”) in relation to acquisition of ~90 percent of equity share capital of Electrosteel Steels Limited (“**ESL**”) by Vedanta. The notice has been filed pursuant to Resolution Plan dated 29th March, 2018, submitted by Vedanta in relation to ESL, which is presently undergoing insolvency resolution process initiated under the Insolvency and



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Bankruptcy Code, 2016 (“**IBC**”), under sub-section (2) of Section 6 read with sub-section (a) of Section 5 of the Competition Act, 2002 (“**Act**”), (hereinafter, Vedanta and ESL are collectively referred to as “**Parties**”).

2. At the time of filing of notice, Acquirer undertook to provide information relating to customers and suppliers of ESL by 13th April, 2018; the same was provided on 20th April, 2018 after seeking extension of time. Further, certain information(s)/ clarification(s) *inter alia*, relating to overlaps, market shares and control were sought from the Acquirer on 13th April, 2018; Response to same was received on 1st May, 2018 after seeking extension of time.
3. Vedanta, a public company incorporated in India, is a subsidiary of Vedanta Resources Plc., an entity incorporated in United Kingdom. Vedanta a natural resources company have operations *inter alia*, in aluminium, zinc, lead, silver, copper, iron ore and power. It has iron ore mines in Goa and Karnataka and a pig iron plant in Goa.
4. ESL, a public company incorporated in India, and a part of Electrosteel Group is, *inter alia*, engaged in the business of iron and steel. It manufacture and sales products such as Pig Iron, Billets, TMT Bars and Wire Rods.
5. The Commission observed that both Vedanta and ESL are engaged in manufacture and sale of pig iron in India. Although, it is stated that currently there is no vertical relationship between Parties, however, it is noted that there exist a potential for vertical relationship between Vedanta and ESL, as Vedanta is present in mining of iron ore (‘Upstream Segment’), which may be used as raw material in manufacturing of pig iron (‘Downstream Segment’). However, the Commission decided to leave the exact delineation of the relevant market(s) open as it was observed that the proposed combination, for the reasons detailed in ensuing paragraph, is not likely to cause appreciable adverse effect on competition in any of the possible alternative relevant markets that could be delineated.
6. It is observed that the combined market share of the Parties in the market for manufacture and sale of pig iron is not significant and there are other existing players in the market such as Neelachal Ispat, TATA Metaliks and Sona Alloys who will give competitive constraint to the Acquirer. Further, the Acquirer’s presence is insignificant



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in the market of iron ore and there are other players such as NMDC, SAIL, Rungta Mines, TATA Steel and Seerajudin.

7. Considering facts on record, details provided in the notice given under sub-section (2) of Section 6 of the Act and assessment 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 an appreciable adverse effect on competition in India.
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 shall be treated as confidential in terms of and subject to provisions of Section 57 of the Act.
10. The Secretary is directed to communicate to the Acquirer accordingly.