



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2017/12/539)

22nd January, 2018

Notice under Section 6 (2) of the Competition Act, 2002 jointly given by Thriveni Pellets Private Limited, JSW Techno Projects Management Limited and Mitsun Steels Private 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: Shardul Amarchand Mangaldas

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

1. On 26th December, 2017, the Competition Commission of India (“**Commission**”) received a notice jointly given by (a) Thriveni Pellets Private Limited (“**TPPL**”); (b) JSW Techno Projects Management Limited (“**JTPML**”); and (c) Mitsun Steels Private Limited (“**MSPL**”), pursuant to execution of Share Purchase Agreement (“**SPA**”) and other related transaction documents each dated 15th December 2017, entered, *inter alia*, into and between TPPL, JTPML and MSPL (hereinafter, TPPL, JTPML and MSPL are collectively referred to as “**Acquirers**”).



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2. The proposed combination relates to acquisition of 100 percent equity shares of Brahmani River Pellets Limited (“**BRPL**”/ “**Target**”) from its holding company i.e. Aryan Mining and Trading Corpn. Private Limited (“**AMTC**”/ “**Seller**”) by TPPL, JTPML, and MSPL (hereinafter, Acquirers and BRPL are collectively referred to as “**Parties**”) in the following manner: (i) TPPL and JPTML, each to acquire 49 percent of BRPL’s shares alongwith right to nominate director(s) on the board of Target and; (ii) MSPL to acquire 2 percent of BRPL’s shares. It is further stated that TPPL will be responsible for the day-to-day operation and management of BRPL
3. It is stated by the Parties that as per SPA, in event one or more Acquirer(s) do not proceed to acquire their portion of shares under the SPA due to non-fulfilment of one or more other conditions precedent, then the other Acquirer(s) have the right to acquire the portion of shares of the Acquirer(s) which is/are not willing to acquire.
4. The notice was filed under sub-section 2 of Section 6 read with sub-section (a) of Section 5 the Competition Act,2002 (“**Act**”).
5. Certain information, *inter alia*, relating to overlaps between activities of Acquirers, their subsidiaries and affiliates and those with Target was sought on 08th January, 2018; response to the same was received on email date 12th January, 2018.
6. TPPL, a private limited company incorporated in India, is a subsidiary of Thriveni Earthmovers Private Limited (“**TEMPL**”), which is *inter alia*, engaged in the business of providing mining services and has mining operations relating to iron-ore, bauxite, barite, copper, coal, graphite, etc. Post the proposed combination, TPPL will be engaged in selling pellets produced by BRPL.
7. JTPML, a private limited company incorporated in India, is owned by Sajjan Jindal family trust and is a part of the JSW group. JTPML is, *inter alia*, engaged in project management consultancy services, strategic investments and manufacture of industrial gases.
8. MSPL, a private limited company incorporated in India, is a distributor and dealer of various steel and structural products.



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9. BRPL, a private company incorporated in India, is a wholly owned subsidiary of AMTC and is engaged in the business of producing and selling iron ore pellets. As of now, BRPL exports majority of its production of iron ore pellets.
10. It is stated that Parties are not engaged in production, distribution or trading of similar or identical or substitutable products or services. In this regard, it is observed that JSW's group entities namely (i) JSW Steel Limited ("**JSW Steel**") and (ii) Amba River Coke Limited ("**ARCL**") produce iron ore pellets. However, iron ore pellets produced by JSW's group entities are used for captive consumption only.
11. It is noted that there is potential for vertical relationship between BRPL and JTPML, wherein JTPML may supply BRPL's iron ore pellets to JSW Steel.
12. Iron ore pellets are small balls of iron ore made from iron ore fines and is an intermediary product which is used in steel making. Iron ore pellet is a kind of agglomerated fines which has better strength as compared to that of parent ore. The exact definition of relevant market is being left open in absence of any competition concern.
13. It is noted that the total capacity of iron ore pellet production in India is around 85 MTPA and the actual total production is around 48.50 MT for the year 2016-17. It is observed that the market share of BRPL is unlikely to raise any competition concern in the market for iron ore pellets in India. Apart from above, there are other players in the market of iron ore pellets such as Essar Steel Limited, Tata Sponge Iron Limited, Bhushan Power and Steel Limited, and Kudremukh Iron Ore Company Limited in India.
14. 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 the 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 any 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.
15. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.
16. The information provided by the Acquirer shall be treated as confidential in terms of and subject to the provisions of Section 57 of the Act.



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17. The Secretary is directed to communicate to the Acquirer accordingly.