



सत्यमेव जयते



**COMPETITION COMMISSION OF INDIA**  
(Combination Registration No. C-2021/09/868)

11<sup>th</sup> October 2021

**Notice under Section 6(2) of the Competition Act, 2002 jointly given by TVS Mobility Private Limited, T.S. Rajam Tyres Private Limited, Southern Roadways (Madurai) Private Limited, Trichur Sundaram Santhanam & Family Private Limited, TVS Sundram Fasteners Private Limited, Madurai Alagar Enterprises Private Limited, SB TVS Industrial Ventures Private Limited, Cheema Industrial Ventures Private Limited, TVS Holdings Private Limited, Geeyes Family Holdings Private Limited, Sundaram Climate Institute Private Limited, Mr. Krishna Ramesh, T V Sundram Iyengar & Sons Private Limited, Sundaram Industries Private Limited, Southern Roadways Private Limited, TVS Investments Private Limited**

**CORAM:**

Mr. Ashok Kumar Gupta  
Chairperson

Ms. Sangeeta Verma  
Member

Mr. Bhagwant Singh Bishnoi  
Member

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

1. On 6<sup>th</sup> September 2021, the Competition Commission of India (**‘Commission’**) received a Notice under Section 6(2) of the Competition Act, 2002 (**‘Act’**), jointly given by TVS Mobility Private Limited (**‘Rajam Family Holding Co.’**), T.S. Rajam Tyres Private



Limited<sup>1</sup>, Southern Roadways (Madurai) Private Limited (**‘Ramesh Krishna Family Holding Co.’**), Trichur Sundaram Santhanam & Family Private Limited (**Santhanam Family Holding Co.’**), TVS Sundram Fasteners Private Limited (**‘Suresh Krishna Family Holding Co.’**), Madurai Alagar Enterprises Private Limited (**‘Mahesh Krishna Family Holding Co.’**), SB TVS Industrial Ventures Private Limited (**‘TK Balaji Family Holding Co. 1’**), Cheema Industrial Ventures Private Limited (**‘TK Balaji Family Holding Co. 2’**), TVS Holdings Private Limited (**‘Venu Srinivasan Family Holding Co.’**), Geeyes Family Holdings Private Limited (**‘Gopal Srinivasan Family Holding Co.’**), Sundaram Climate Institute Private Limited (**‘Sundaram Climate Group Holding Co.’**) and Mr. Krishna Ramesh (collectively referred to as **‘Acquirers’**), along with T V Sundram Iyengar & Sons Private Limited (**‘TVSS’**), Sundaram Industries Private Limited (**‘SI’**), Southern Roadways Private Limited (**‘SRW’**) and TVS Investments Private Limited (**‘TVSI’**). The Notice was filed pursuant to the execution of Memorandum of Family Arrangement dated 10<sup>th</sup> December 2020 and Composite Scheme of Amalgamation and Arrangement dated 29<sup>th</sup> January 2021. [Hereinafter, the Acquirers, TVSS, SI, SRW and TVSI are collectively referred to as the **‘Parties’**].

2. TVSS was established by Mr. T. V. Sundaram Iyengar in 1911. It is the ultimate holding company of the TVS group and is jointly owned and controlled by four families, *i.e.*, Rajam Family, Krishna Family (consisting of Suresh Krishna Family, Mahesh Krishna Family and Ramesh Krishna Family), Srinivasan Family (consisting of Venu Srinivasan Family, Gopal Srinivasan Family and TK Balaji Family) and Santhanam Family. These families (including sub-families) are collectively referred to as **‘Family Groups’** and individually as **‘Family Group’**. The Acquirers are the respective holding companies of the Family Groups. The Rajam Family, Krishna Family, Srinivasan Family and Santhanam Family hold 25% in TVSS and have an equal number of directors on the board of TVSS.

---

<sup>1</sup> Wholly owned subsidiary of TVS Mobility Private Limited



3. TVSS has two direct subsidiaries namely SI and SRW. TVSS, SI, and SRW are holding-cum-operating companies, which operate certain businesses themselves and some through their subsidiaries/associate/joint venture (JV) companies by virtue of their shareholding and/or rights in such companies. Such subsidiaries/associate/JV companies together with TVSS, SI, SRW are collectively referred to as the '**TVS Group**'.
4. It is submitted in the Notice that the various businesses housed in and operated by TVSS, SI & SRW (through the TVS Group companies) have traditionally been managed by a particular Family Group notwithstanding the shareholding of the other Family Groups in TVS Group companies and that the Family Groups propose to undertake an internal group restructuring, whereby the businesses housed in TVSS, SI, and SRW (**'Target Businesses'**), including investments/shareholding in various TVS Group companies (**'Target Entities'**), which are presently managed and controlled by a particular Family Group will be transferred to the respective holding company(ies) of that Family Group. As a result of this, Target Businesses and Target Entities will be solely owned, controlled and managed by the particular Family Group (**'Proposed Combination'**). However, there are some TVS Group companies that are not solely owned/ controlled by the TVS Group (e.g., a joint venture or an associate company), the shareholding of the non – TVS Group shareholder in such companies will continue to remain with the concerned third-party shareholders post the Proposed Combination while the remaining will be acquired by the Family Group (which is currently managing it).
5. The Proposed Combination is contemplated to be carried out through a series of steps which involve demerger, transfer and vesting of the Target Businesses housed in TVSS, SI and SRW to the holding companies of the Family Groups. In addition to this, Family Groups' holding companies will also acquire shareholding in the Target Entities. The list of businesses envisaged to be acquired by each Family Group is as follows:



- a. Rajam Family Group, through Rajam Family Holding Co. & T.S. Rajam Tyres Private Limited, will acquire the business of (i) Tyre<sup>2</sup>; (ii) Rubber<sup>3</sup> ; (iii) Mobility and supply chain<sup>4</sup> ; (iv) Manufacturing, sale and distribution/trading of automotive components<sup>5</sup>; (v) Sale and distribution/ trading of automotive accessories; (vi) Manufacture, sale and distribution of certain products<sup>6</sup>; (vii) Manufacture of metal products, basic chemical elements and treatment and coating of metals, (viii) Logistics and supply chain management, (ix) Multi-brand vehicle service centres and roadside assistance; (x) Insurance Broking and (xi) Development of technology for automotive application including auto telematics; and servicing and maintenance related services of automobiles.
- b. Santhanam Family Group, through Santhanam Family Holding Co., will acquire the businesses of (i) Manufacture and sale of automotive components<sup>7</sup>; (ii) Dealership of Mercedes and Volkswagen vehicles and (iii) Manufacture of components for construction and mining/infrastructure equipment.

---

<sup>2</sup> This includes (a) providing tyre solutions including retreading solutions, and manufacture of retreading materials, (b) Manufacturing industrial solid and press on band tyres for various applications, (c) Manufacturing devulcanised rubber crumb and compound, and (d) Manufacturing and distributing protective, safety, surveillance gear, equipment and solutions for military, para- military, police forces and security industry.

<sup>3</sup> This includes manufacture of rubber compounds, cured rubber and plastic products, using virgin and recycled raw material, for automotive and industrial applications.

<sup>4</sup> This includes a) Dealerships of Ashok Leyland, Mahindra & Mahindra (including trucks and buses), Renault, Honda and others), Escorts, JLG, Palfinger and Doosan (construction, infrastructure equipment and machinery), and b) Sale and distribution of fuel and lubricants.

<sup>5</sup> This includes (a) customized elastomer seals and thermoplastic solution for various applications such as medical equipment, gas, home appliances etc., (b) air spring assemblies for rail and industrial applications, (c) battery chargers for electric vehicles, electrical systems for applications in various sectors such as defence, railways, telecommunications, power, (d) micro switches, sensor products and solutions, (e) fiber optic intrusion deduction system, fiber optic sensing solutions and fiber optic components for various industries such as infrastructure, medical, oil and gas, aerospace, etc., (f) tubes.

<sup>6</sup> This includes (a) bus bodies, (b) sensors and provisions of sensing solutions, (c) computer input devices for industrial, consumer durable, and information technology segments.

<sup>7</sup> This includes steel and aluminium wheels, air suspension systems, railway bogie frames, brake systems, components fluids, ductile castings, engineering plastics, turbochargers, high precision zinc and aluminium die-cast components, and axles shafts.



- c. Ramesh Krishna Family Group, through Ramesh Krishna Family Holding Co., will acquire the business of (i) Transport and warehousing, and (ii) Manufacture and sale of industrial sewing machine needles.
- d. Suresh Krishna Family Group, through Suresh Krishna Family Holding Co., will acquire the business of (i) Manufacture and sale of automotive components<sup>8</sup>; (ii) Financial services (i.e., making investments in companies); (iii) Power generation (captive); (iv) IT and ITES<sup>9</sup>; and (v) Manufacture and sale of defence and aerospace components.
- e. Mahesh Krishna Family Group, through Mahesh Krishna Family Holding Co., will acquire the business of manufacture, sale and distribution of automotive components including friction material, brake lining and clutch facing.
- f. TK Balaji Family Group, through TK Balaji Family Holding Co. 1 & TK Balaji Family Holding Co. 2, will acquire the business of (i) Manufacture, sale and distribution of automotive components<sup>10</sup>; (ii) Trading of automotive lubricants and commodities such as copper and copper products; (iii) Manufacture and distribution of parts for generator sets, and general-purpose engines; and (iv) Vocational training.
- g. Venu Srinivasan Family Group, through Venu Srinivasan Family Holding Co., will acquire the business of (i) Manufacture, sale and distribution of automotive components<sup>11</sup>; (ii) Trading of automotive accessories; (iii) Manufacture and distribution of two-wheelers and three-wheelers; (iv) Non-banking financial

---

<sup>8</sup> This includes high tensile fasteners, powder metal components, cold extruded parts, hot forged components, radiator caps, pumps, gear shifters, gears and couplings, hubs and shafts, tappets iron powder, spokes and nipples, plastic components, and cold extrusion.

<sup>9</sup> This includes artificial intelligence, blockchain, real-time data ingestion, cognitive computing, predictive analytics, natural language processing, internet of things etc.

<sup>10</sup> This includes automotive electrical systems, fuel injection systems, electronic ignition system parts including ignition coil, solenoid switches.

<sup>11</sup> This includes aluminium pressure die castings, injection moulded/ automotive plastic components for two-wheeler, three-wheeler, commercial vehicle and passenger vehicle.



institution (NBFC) predominantly engaged in automobile financing; (v) Real estate business; (vi) Agricultural research centres; (vii) Vocational training; (viii) IT and ITES (including predictive analytics, Internet-of-things, and vehicular telematics, etc.); (ix) Logistics and supply chain management, (x) Power generation (captive); and (xi) Electric mobility solutions.

- h. Gopal Srinivasan Family Group, through Gopal Srinivasan Family Holding Co., will acquire the business of (i) Financial services (including consultancy, asset management, wealth management), (ii) Manufacture and sale of transaction products including printers, POS devices, computer keyboards and mouse.
- i. Sundaram Climate Group, through Sundaram Climate Group Holding Co., will acquire the business of manufacture and sale of yarn/textiles.

Pursuant to the Proposed Combination, SI and SRW will merge in TVSS and post the Proposed Combination, TVSS will not be engaged in any business activity.

6. Post the Proposed Combination, the Family Groups (except Venu Srinivasan Family Group and the Gopal Srinivasan Family Group) will hold 99.75% of the equity shareholding of their respective holding company, with the rest of the 0.25% being collectively held by the remaining Family Groups, T.S. Doraisamy Family Group and/or TVSS together. With respect to the holding company of the Venu Srinivasan Family Group, the Venu Srinivasan Family Group will hold on to 99.99% of the equity shareholding, while 0.01% of the shareholding will be collectively held by the remaining Family Groups and the T.S. Doraisamy Family Group. With respect to the holding company of Gopal Srinivasan Family, 99.75% shareholding will be held by the Gopal Srinivasan Family, with the remaining 0.25% being held on to by TVSS only. The Parties have submitted that with respect to the aforementioned holding companies, the remaining Family Groups and TVSS will hold only ordinary shareholder rights.



7. As the Proposed Combination envisages change in the degree of control of the Family Groups over the Target Businesses and Target Entities, overlaps are considered between the affiliates of the holding companies (and their shareholders) of the Family Groups and respective Target Businesses / Target Entities.
8. Based on submissions of the Parties, the following two horizontal overlaps were identified:
  - a. Between Dattatreya Textiles Private Limited (**DTPL**) (an affiliate of the Sundaram Climate Group Holding Co.) and Sundaram Textiles Private Limited (STPL) (a Target Entity); and
  - b. Between Tractors and Farm Equipment Limited (**TFEL**) (an affiliate of the Venu Srinivasan Family Group) and Sundaram Auto Components Limited (**SACL**) (an indirect subsidiary of a Target Entity).
9. With respect to the horizontal overlap between DTPL and STPL, these are engaged in the broad market for manufacture and sale of yarn. At a narrower level, these exhibit overlaps only in manufacture and sale of cotton yarn. The Commission noted that combined market share of these entities and incremental market share, in terms of value, is insignificant, in both the broad market as well as the narrow segment.
10. With respect to the horizontal overlap between TFEL and SACL, these are engaged in the market of manufacturing and sale of injection moulded/automotive plastic components. The Commission noted that combined market share of these entities and incremental market share is in the range of [0-5] %, in terms of value and volume.
11. The Commission decided to leave the delineation of the relevant market open as it was observed that the Proposed Combination is not likely to cause an appreciable adverse effect on competition in any of the relevant markets that may be delineated.
12. Based on submissions of the Parties, the following vertical overlaps were identified:



- a. Alagar Resins Private Limited (**ARPL**) (an affiliate of Mahesh Krishna Family Group) is engaged in supplying phenol formaldehyde resin (upstream market) to Sundaram Brake Linings Limited (**SBL**) (Target Entity of the Mahesh Krishna Family Group) for manufacturing and sale of friction material (downstream market). In the upstream market, ARPL has a miniscule presence whereas SBL has a market share of [5-10] %, (in terms of both value and volume), in the downstream market.
- b. Alagar Farms Private Limited (**AFPL**) (an affiliate of Mahesh Krishna Family Group) is engaged in supplying cashew friction dust (upstream market) to SBL (Target Entity of the Mahesh Krishna Family Group) for manufacturing and sale of friction material (downstream market). In the upstream market, AFPL has a market share in the range of [5-10] % (in terms of value) and [10-15] % (in terms of volume), whereas SBL, in the downstream market, has a market share of [5-10] % (in terms of both value and volume).
- c. TFEL (an affiliate of the Venu Srinivasan Family Group) is engaged in manufacturing and sale of injection moulded/automotive plastic components (upstream market) to TVS Motor Company Limited (**TVS Motor**) (Target Entity of the Venu Srinivasan Family Group) for manufacturing and sale of two-wheelers and three-wheeler vehicles (downstream market). In the upstream market, TFEL has a market share of [0-5]% (in terms of value), whereas TVS Motor Company Limited has a market share of [10-15]% and [0-5]% (in terms of volume) in the markets for sale of two – wheelers and three – wheelers, respectively;
- d. Reno Mercantile Private Limited (affiliate of the Santhanam Family Group) is engaged in manufacturing and sale of diesel exhaust fluid (upstream market). (i) India Motor Parts and Accessories Limited; (ii) Sundaram Motors Divisions; and (iii) Madras Auto Services Division (Target Entities/Businesses of the Santhanam Family Group) are engaged in the distribution of diesel exhaust fluid (downstream





market). The presence of these entities in both the upstream as well the downstream market are insignificant.

13. With respect to the aforementioned vertical overlaps, based on the market shares provided by the Parties, it appears that none of the entities have the ability or incentive to foreclose competition in any of the markets.
14. Considering the material on record, including the details provided in the Notice and the assessment of the Proposed Combination based on the factors stated in Section 20(4) 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. Therefore, the Commission approves the Proposed Combination under Section 31(1) of the Act.
15. The order may be revoked if, at any time, the information provided by the Parties is found to be incorrect.
16. The information provided by the Parties shall be treated as confidential in terms of and subject to provisions of Section 57 of the Act.
17. The Secretary is directed to communicate to the Parties accordingly.