



सत्यमेव जयते



Fair Competition
For Greater Good

भारतीय प्रतिस्पर्धा आयोग COMPETITION COMMISSION OF INDIA

By e-mail and/or speed post

Combination Registration. No.: C-2022/07/953/8812

29 September 2022

सेवा में/ To

Ms. Aparna Mehra
Shardul Amarchand Mangaldas & Co.
Amarchand Towers, Plot No. 216,
Okhla Industrial Phase III, New Delhi-110020
Email: aparna.mehra@AMSShardul.com

Subject: Notice filed under sub-section (2) of Section 6 of the Competition Act, 2002 (bearing registration No. C-2022/07/953)

कृपया प्रतिस्पर्धा अधिनियम, 2002 की धारा 6(2) के अंतर्गत JSW Steel Limited, Creixent Special Steels Limited and JSW Ispat Special Products Limited, द्वारा दिये गये धारित संयोजन पंजीकरण सं. सी-2022/07/953 एवं दिनांक 18 अगस्त 2022 के पत्र संख्या सी-2022/07/953/7615 का संदर्भ लें जिसमें आपको भारतीय प्रतिस्पर्धा आयोग (संयोजनों के संबंध में कारबार के संव्यवहार से संबंधित प्रक्रिया) विनियम, 2011 के विनियम 28 (5) के अंतर्गत प्रस्तावित संयोजन पर आयोग के दिनांक 18 अगस्त 2022 के अनुमोदन से अवगत कराया गया था।

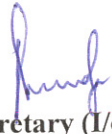
2. इस अनुमोदित संयोजन से संबंधित विस्तृत आदेश इस पत्र के साथ संलग्न है।

3. कृपया पावती भेजें।

Please refer to notice bearing Combination Registration No. C-2022/07/953 given by JSW Steel Limited, Creixent Special Steels Limited and JSW Ispat Special Products Limited, under Section 6(2) of the Competition Act, 2002 and letter no. C-2022/07/953/7615 dated 18 August 2022 wherein the approval of the Commission dated 18 August 2022 on the proposed combination was intimated to you under Regulation 28(5) of the Competition Commission of India (Procedure in regard to transaction of business relating to combinations) Regulations, 2011.

2. The detailed order in regard to this approved combination is enclosed herewith.

3. Please acknowledge the receipt.


सचिव (प्रभारी)/Secretary (I/c)

संलग्नक: यथोपरि

Encl: As above



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COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2022/07/953)

18 August 2022

Notice under Section 6(2) of the Competition Act, 2002 jointly given by JSW Steel Limited, Creixent Special Steels Limited and JSW Ispat Special Products 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 8 July 2022, the Competition Commission of India (**Commission**) received a Notice under Section 6(2) of the Competition Act, 2002 (**Act**), jointly given by JSW Steel Limited (**JSW Steel**), Creixent Special Steels Limited (**CSSL**) and JSW Ispat Special Products Limited (**JSW Ispat**) (collectively referred to as **Parties**) (hereinafter, JSW Steel and JSW Ispat are collectively referred to as **JSW Companies**). The Notice was filed pursuant to the resolutions passed by the board of directors of JSW Steel, CSSL and JSW Ispat on 27 May 2022 approving the Scheme of Arrangement (**Scheme**) amongst, *inter alia*, JSW Companies and CSSL.
2. The proposed combination involves the amalgamation of CSSL and JSW Ispat with and into JSW Steel (**Proposed Combination**), to be effected through the Scheme.





3. JSW Steel, listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE), is the flagship company of JSW group and is primarily engaged in the manufacture and sale of a diverse range of iron and steel products in India and abroad. It has five manufacturing units located across Karnataka, Tamil Nadu, Gujarat and Maharashtra in India. As on date, JSW Steel has: (i) operationalised, directly, thirteen, and indirectly, one iron ore mines across Karnataka, Odisha and Chhattisgarh; and (ii) acquired one coal block in Jharkhand.
4. JSW Ispat, listed on NSE and BSE, is engaged in the manufacture of iron (including pig iron and sponge iron) (Iron), semi-finished steel (Semis), long steel products (Long Products), etc. JSW Ispat has two manufacturing facilities, in Raipur and Raigarh, in the state of Chhattisgarh. In 2018, the consortium of Apollo Global Management LLC (Apollo) (through AION Investments Private II Limited (AION)) and JSW Steel, collectively acquired 74.29% of the total equity share capital and management control of JSW Ispat, pursuant to the resolution plan approved by NCLT under the Insolvency and Bankruptcy Code, 2016. Accordingly, JSW Ispat is presently jointly controlled by Apollo and JSW Steel.
5. CSSL is *inter alia* engaged in the business of trading in steel and steel products and holding investments. It is the holding company of JSW Ispat. CSSL is presently jointly controlled by Apollo (through AION) and JSW Steel.
6. As regards identification of overlaps, it is noted that CSSL is primarily engaged in the business of trading in steel and steel products on behalf of JSW Ispat and, accordingly, the overlaps were mapped between JSW Steel and JSW Ispat. It was further observed that JSW Companies have presence throughout the value chain of steel production, viz., areas of: (i) Raw inputs such as iron ore; (ii) Processed inputs such as coke, power and pellets; (iii) Iron/Direct Reduced Iron (DRI); (iv) Semis; (v) Long products such as TMT Bars, wire rods, merchant bars, structural products; and (vi) Flat steel products such as hot-rolled products, cold-rolled products and colour coated products. However, market





facing overlaps are observed in the areas/segments of power, pellets, pig iron, sponge iron, Semis, TMT bars and merchant bars. The aforesaid presence of JSW/JSW Ispat in the value chain of steel production also leads to vertical relationships.

7. As regards the segments of power and pellets, it has been submitted that generation/manufacturing and sale of power and pellets is not the primary business activity of JSW Steel and JSW Ispat, and any revenue generated, which is minuscule, is by virtue of sale of excess power and pellets. The Commission observed that JSW Steel and JSW Ispat have negligible presence in terms of excess power and the unutilised excess pellets sold in the open market in FY 2021-22 and accordingly, the Proposed Combination is not likely to result in any change in the competition dynamics of these segments.
8. The Commission noted the presence of JSW Companies in the aforesaid segments of iron, semi-finished steel and long steel products; and sub-segments of iron, viz., sponge iron and pig iron; and sub-segments of long steel products, in terms of domestic sales, and observed that the combined market shares do not exceed 10% for all segments/sub-segments except the segment of semi-finished steel in which the combined market share is estimated to be in the range of 10% to 15%. The increment to the market shares resulting from the Proposed Combination is less than 5% in each of the aforesaid segment/sub-segment. Considering the details of the presence of the Parties across the value chain, it appears that the Proposed Combination is not likely to lead to competition concerns in any of the segments horizontally, nor is it likely to confer any ability/incentive on the part of the combined entity to engage in any foreclosure strategies in the vertical context.
9. 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.

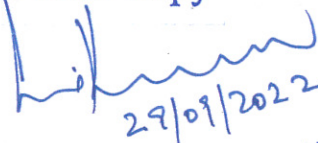




10. The order may be revoked if, at any time, the information provided by the Parties is found to be incorrect.
11. The information provided by the Parties shall be treated as confidential in terms of and subject to the provisions of Section 57 of the Act.
12. The Secretary is directed to communicate to the Parties accordingly.



Certified True Copy


29/01/2022
अनिल कुमार वशिष्ठ/Anil Kumar Vashisht
सहायक निदेशक/ Asstt. Director
भारतीय प्रतिस्पर्धा आयोग
Competition Commission of India
नई दिल्ली /New Delhi