COMPETITION COMMISSION OF INDIA

Case No. 30 of 2025

<u>In Re</u>:

XYZ	**Informant**
<u>And</u>	
Jindal Stainless Limited OP Jindal Marg, Hisar, Haryana, India - 125005.	**Opposite Party No. 1**
Eternal Tsingshan Group Co. Ltd. 4F and 7F Tsingshan Holding Group Building A, No. 2666 Longxiang Road, Longwan District, Wenzhou City, Zhejiang Province, Indonesia.	**Opposite Party No. 2**
PT Qing Feng Ferrochrome Gedung IMIP, JI. Batu Mulia No. 8, RT 007 RW 007, Meruya Utara, Kec. Kembangan, Kota Barat, Jakarta Daerah Khusus Ibukota, Jakarta, 11620	**Opposite Party No. 3**
PT. Indonesia Guang Ching Nickel and Stainless-Steel Industry Gedung IMIP, JI. Batu Mulia No. 8, RT 007 RW 007, Meruya Utara, Kec. Kembangan, Kota Barat, Jakarta Daerah Khusus Ibukota, Jakarta, 11620	**Opposite Party No. 4**
PT Indonesia Ruipu and Chrome Alloy Nickel IMIP Building, JI. Batu Mulia No. 8, RT 007 RW 007, North Meruya, Kembangan District, Jakarta Special West City, Capital Region, 11620. Jakarta	**Opposite Party No. 5**

<u>CORAM</u>

Ms. Ravneet Kaur

Chairperson

Ms. Sweta Kakkad

Member

Mr. Deepak Anurag

Member

<u>Order under Section 26(2) of the Competition Act, 2002</u>

1. The present Information has been filed by the Informant under Section 19(1)(a) of the Competition Act, 2002 ('**Act**'), against Jindal Stainless Limited ('**JSL**'/'**Opposite Party 1**' / '**OP-1**') , Eternal Tsingshan Group Co. Ltd. ('**Opposite Party 2**' / '**OP-2**'/'**ET Group**'), PT Qing Feng Ferrochrome ('**Opposite Party 3**' / '**OP-3**'), PT Indonesia Guang Ching Nickel & Stainless Steel Industry('**Opposite Party 4**' / '**OP-4**'), and PT Indonesia Ripu Nickel and Chrome Alloy ('**Opposite Party 5**'/ '**OP-5**'), collectively referred to as the '**Opposite Parties**' or '**OPs**', alleging contravention of the provisions of Sections 3 and 4 of the Act.

2. The Informant is an Indian stainless steel market participant engaged in the downstream production and trade of stainless-steel products. The Informant has claimed confidentiality over its identity throughout the investigation process and any ensuing proceedings under the Act against the Opposite Parties.

3. As per the Information, OP-1 is a company registered under the Companies Act, 1956, having its registered office at O.P. Jindal Marg, Hisar, Haryana, India - 125005. OP-1 owns integrated operations to run stainless steel manufacturing and processing facilities in India and across the world.

4. As per the Information, OP-2 is a large-sized Chinese enterprise active in the stainless steel and nickel industry in Indonesia. It entered the Indonesian nickel industry in 2009. The board of directors of OP-2 is stated to govern four groups (including OP-2) and more than 100 subsidiaries. Indonesia Morowali Industrial Park (‘**IMIP**’), a subsidiary of Tsingshan Holding Group through OP-2, is OP-2's overseas project located in Morowali in Central Sulawesi Province in Indonesia. The Morowali Park is recognised as the world's largest vertically integrated stainless steel production centre and the epicentre of global nickel production.

5. As per the Information, OP-3 operates in OP-2's Morowali Park, and its primary offerings are ferrochrome and stainless-steel products. The production capacity of ferrochrome and stainless steel of OP-3 is 700,000 tons per year and 3 million tons (‘MT’) per year, respectively. OP-4, also operating from Morowali Park, is a subsidiary of OP-2 and is engaged in the production of nickel pig iron, steel slab, and hot rolled coil. OP-5, operating from Morowali Park, is also a subsidiary of OP-2 and is involved in the production of ferrochrome, nickel pig iron, and cold rolled coil.

6. The Informant has submitted that nickel is a critical raw material for the production of stainless steel. As India does not possess indigenous nickel reserves, the domestic stainless-steel industry is substantially reliant on imports. According to the Informant, following Indonesia's ban on the export of unprocessed nickel ore in 2020, Indian stainless-steel manufacturers were required to source semi-finished stainless-steel products, particularly stainless-steel slabs (‘**SS Slabs**’) and stainless-steel hot rolled coils (‘**SS HRC**’), from Indonesia.

7. The Informant has stated that OP-3 operates in the upstream market for the supply of SS Slabs, while OP-4 and OP-5 operate in the upstream market for the supply of nickel-rich SS HRC. OP-1 is stated to be active in the downstream market for the production of SS HRC as well as cold rolled stainless steel (‘**CRSS**’). According to the Informant, the CRSS industry in India is heavily dependent on the availability of SS Slabs and SS HRC.

8. The Informant has further submitted that the production process follows a sequential and technically integrated value chain, namely: SS Slabs → Hot Rolling → Hot Rolled Stainless Steel ('**HRSS**') (SS HRC/plates) → Cold Rolling → CRSS (sheets, coils, coated products, pipes, etc.). On this basis, the Informant has contended that the production of CRSS is dependent on the availability of HRSS, and the production of HRSS, in turn, is dependent on the availability of SS Slabs.

9. It has been alleged by the Informant that OP-1 has entered into an exclusive agreement with OP-3 for the supply of SS Slabs rich in nickel. The arrangement is in the nature of refusal to deal, whereby OP-3 supplies SS Slabs to OP-1 alone, excluding other Indian importers. Further, when Ministry of Steel, Government of India ('**MoS**') adopted a stringent approach of not allowing SS Slab imports without a valid Bureau of Indian Standards ('**BIS**') license in 2023, OP-1 shifted to imports of SS HRC. OP-1 entered into similar restrictive arrangements with OP-4 and OP-5 for the supply of SS HRC, whereunder they refused to supply SS HRC to any other Indian CRSS manufacturer. Such agreements are in the nature of exclusive dealing and refusal to deal vertical agreements and in violation of Section 3(4)(b) and Section 3(4)(d) read with Section 3(1) of the Act.

10. The Informant has delineated the relevant market at two levels: (i) the broad market for CRSS products in India; and (ii) the narrower market for wide CRSS products in India. According to the Informant, CRSS products are classified into "wide" and "narrow" categories based on their width, with each category serving distinct applications and end-use industries. Owing to their differing characteristics and downstream uses, the Informant has contended that the two categories cater to different consumer segments and are not substitutable.

11. The Informant has further alleged that OP-1 enjoys a dominant position in the market for wide CRSS products in India. In support of this contention, the Informant has stated that OP-1 holds a market share exceeding 60% in the said market and possesses significant economic strength. The Informant also submitted that OP-1 acquired 100% stake in Chromeni Steels Private Limited ('**Chromeni**') that has a cold rolling mill

located in Gujarat thereby augmenting the capacity of cold rolled products in OP- 1's product mix. The Informant has also relied upon factors such as OP-1's sales, size and economic power, vertically integrated operations, the existence of substantial entry barriers, high capital and operating cost requirements, and the relatively low market shares of competing manufacturers.

12. The Informant has further alleged that the restrictive practices adopted by OP-1, through its arrangements with OP-3, OP-4 and OP-5, have the effect of denying market access to potential competitors and substantially foreclosing the upstream levels of the CRSS supply chain, thereby contravening Section 4(2)(c) of the Act. According to the Informant, these arrangements impair the ability of competing manufacturers to procure critical upstream inputs, thereby restricting their capacity to produce products of comparable quality and limiting their ability to compete and innovate in the relevant market of wide CRSS products in India.

13. The Informant also alleged that the conduct of OP-1 under its Jindal Saathi programme and the associated Memorandum of Understanding ('**MoU**') is in contravention of Sections 4(2)(a) and 4(2)(c) of the Act. According to the Informant, OP-1 introduced the Jindal Saathi programme in 2019, and execution of a valid and subsisting MoU with OP-1 is a prerequisite for participation in the programme. The Informant has contended that the terms of the MoU and the Jindal Saathi programme require participating dealers to procure the maximum possible quantity of material directly from OP-1, thereby creating a *de facto* exclusivity arrangement and lock-in effect in the downstream market. It has been further alleged that only the dealers having an MoU with OP-1 are eligible to participate in the Jindal Saathi programme. As per the Informant, the MoU prescribes minimum monthly and/or annual procurement thresholds that must be met for eligibility, and provides for discounts and bonus incentives linked to procurement volumes. The Informant has alleged that these incentives increase progressively with higher levels of procurement, thereby encouraging exclusive sourcing from OP-1.

14. The Informant has contended that the aforesaid agreements and commercial arrangements have cumulatively resulted in the denial of market access to rival stainless-steel manufacturers, creation of entry barriers in the Indian stainless-steel market, a reduction in consumer choice, and the artificial elevation of prices, thereby distorting competitive conditions in the market.

15. The Informant has, *inter alia*, prayed that the Commission initiate an inquiry into the conduct and arrangements of the Opposite Parties under Section 26(1) of the Act by directing the Director General (‘**DG**’) to investigate the matter, direct the OPs to cease and desist from the alleged anti-competitive conduct with immediate effect, impose a monetary penalty equivalent to 10% of the average turnover of the OPs for the three preceding financial years (‘**FYs**’), and exercise its powers under Section 28 of the Act by directing the divestment of OP-1's interest in Chromeni to ensure a level playing field in the market.

<u>Consideration by the Commission</u>

16. The Commission considered the Information in its ordinary meeting held on 18.12.2025 and, *vide* order of the even date, directed the Informant to furnish the specified clarifications within four weeks from the receipt of the order. The Commission also directed that a copy of the non-confidential version of the Information be forwarded to OP-1 for filing its reply, along with its response to the specified clarifications, within the same period. Thereafter, *vide* order dated 25.02.2026, the Commission, upon the request of OP-1, extended the time for filing its reply until 23.03.2026 and directed the Informant to submit its response within the same extended period. The Informant and OP-1 subsequently filed their respective responses. The Commission considered the Information and the material available on record, including the responses filed by the Informant and OP-1, in its ordinary meeting held on 24.06.2026 and decided to pass an appropriate order in due course.

17. Before adverting to the issues arising out of the present Information, it would be appropriate to note, in brief, the submissions of the Informant and OP-1 in their respective responses.

Submissions of the Informant:

17.1 The Informant has submitted that it does not have access to information regarding any instance where it or any other Indian stainless-steel manufacturer sought to procure SS Slabs or SS HRC from OP-3, OP-4 or OP-5 and was denied supply, as such information is not available in the public domain. In support of its allegations, the Informant has relied, *inter alia*, on Indonesia's dominant position in global nickel production, OP-1's strategic investments and acquisitions, including the acquisition of 100% stake in Chromeni and other initiatives aimed at securing long-term access to nickel resources, as well as import data, indicating that OP-1 was the sole importer of SS Slabs from Indonesia during the period from January, 2024 to March, 2024.

17.2 In response to the Commission's query seeking details of the sources from which competitors, including the Informant, currently procure SS Slabs and SS HRC, the Informant has submitted that manufacturers of CRSS products are largely dependent on imported SS Slabs and SS HRC due to the limited domestic availability of such inputs, particularly nickel-bearing grades. According to the Informant, Indonesia is the predominant source of SS Slab imports into India, accounting for approximately 581,000 tonnes, constituting a substantial share of total imports. The Informant has further stated that SS Slabs (used in the manufacture of flat CRSS) and billets (used in the manufacture of long CRSS) are also imported from countries such as Singapore (approximately 28,000 tonnes) and the United Arab Emirates (approximately 32,000 tonnes). The Informant has also submitted that Indian manufacturers may procure wide SS HRC from domestic integrated stainless-steel producers, including the Steel Authority of India Limited's Salem Steel Plant. However, owing to the limited domestic availability of certain grades, particularly nickel-bearing 300 series stainless steel used in the manufacture of flat CRSS products, manufacturers continue to rely on imports of SS Slabs and SS HRC.

17.3 In response to the Commission's query seeking data or analysis demonstrating that competing CRSS producers faced production constraints due to lack of access to SS Slabs or SS HRC, the Informant has submitted that access to nickel-rich SS Slabs and SS HRC is critical for the manufacture of 300-series stainless-steel products and that OP-1 enjoys significant cost and supply advantages by virtue of its access to such inputs. According to the Informant, competing manufacturers that rely on imported inputs are exposed to comparatively higher costs and greater supply uncertainties. In support of its submissions, the Informant has referred to the operational and financial performance of certain domestic stainless-steel manufacturers and has alleged that the Salem Steel Plant was unable to secure the required quantities of 300-series SS Slabs through a global tender floated in November 2025, purportedly due to the non-participation of OP-3, OP-4 and OP-5. The Informant has further submitted that OP-1 possesses substantial cold rolling capacity for stainless-steel flat products, with publicly available disclosures indicating a cold rolling capacity of approximately 375,000 tonnes per annum, which has been further enhanced through the acquisitions of Chromeni (approximately 0.6 MTPA) and Jindal United Steel Limited (approximately 0.2 MTPA). In contrast, the Informant has contended that other domestic manufacturers operate at a comparatively smaller scale. The Informant has also requested that information regarding procurement constraints and capacity utilisation be obtained from industry participants.

17.4 In response to the Commission's query seeking evidence to substantiate the claim that the incentive scheme between OP-1 and manufacturers has resulted in denial of market access to the Informant and/or other competitors, the Informant has submitted that the MoU arrangements and the Jindal Saathi programme operated by OP-1 are commercially interconnected and collectively incentivise distributors to procure a substantial portion of their requirements from OP-1. According to the Informant, eligibility for incentives, rebates and other commercial benefits under the Jindal Saathi programme is linked to procurement volumes prescribed under the MoU, thereby creating a *de facto* exclusivity arrangement and limiting opportunities for competing manufacturers. In support of its submissions, the Informant has relied upon OP-1's public statements regarding the expansion of the Jindal Saathi programme and the increase in its market share to 60% in the pipe and tubes segment by the end of FY 2021–22. The Informant has further submitted that OP-1's imports of SS Slabs, used in the manufacture of wide CRSS products, increased significantly, by nearly 100%, between calendar years 2024 and 2025, whereas imports of finished wide CRSS products increased by approximately 40% during the same period. Based on the foregoing, the Informant has alleged that the combined effect of the upstream supply arrangements and the downstream incentive schemes has resulted in foreclosure of competition and denial of market access.

Submissions of OP-1:

17.5 OP-1 submitted that the Informant has incorrectly treated SS Slabs and SS HRC as the primary upstream inputs in the stainless-steel value chain. According to OP-1, the production process begins with raw materials such as stainless-steel scrap, carbon steel scrap and ferro-alloys (including ferrochrome and ferronickel), while SS Slabs and SS HRC are merely intermediate products generated at successive stages of an integrated manufacturing process. OP-1 further contended that the Informant's proposed delineation of the downstream market as "wide CRSS" is artificial, as it does not reflect distinct competitive conditions and is disconnected from the alleged foreclosure concerns. It is argued that, even if the Commission were to examine the allegations, the assessment should focus on the upstream level where a wide range of raw materials and intermediate inputs are available from both domestic and international sources. On this basis, OP-1 submitted that the appropriate relevant market is not CRSS, but rather the market for procurement and supply of raw materials and intermediate inputs used in stainless steel manufacturing, with the relevant geographic market being global, including India, given the worldwide sourcing and trading of such inputs.

17.6 In response to the allegation that the arrangements between OP-3 and OP-1 for the supply of SS Slabs, as well as those between OP-4 and OP-5 with OP-1 for the supply of SS HRC constitute exclusive dealing and refusal-to-deal agreements in contravention of Sections 3(4)(b) and 3(4)(d) read with Section 3(1) of the Act, it has been submitted that OP-1 and its affiliates have entered into a Collaboration Agreement with the ET Group and its affiliates for the establishment of a joint venture company in Indonesia to develop and operate a stainless-steel melt shop facility with an annual production capacity of 1.2 million tonnes. According to OP-1, the joint venture is intended to produce primarily SS Slabs and, potentially, SS HRC, and incorporates an exclusive off-take arrangement under which OP-1, through its designated affiliate, would be entitled and obligated to procure specified quantities of the joint venture's output on agreed commercial terms to secure supplies for its manufacturing operations.

17.7 OP-1 also submitted that the joint venture with the ET Group is a legitimate efficiency-enhancing backward integration initiative undertaken to secure long-term access to critical raw materials and support its planned expansion of stainless-steel production capacity. According to OP-1, the arrangement is driven by commercial considerations, including supply security, cost stability and mitigation of volatility in global nickel markets, particularly in view of India's dependence on imported nickel. OP-1 has further contended that the joint venture supplements its diversified sourcing strategy, which includes technological substitution and extensive use of stainless-steel scrap, and is not intended to foreclose competitors or restrict their access to inputs. It has also submitted that the exclusivity and territorial provisions are ancillary to the joint venture, necessary to protect substantial capital investments and take-or-pay commitments, and operate only between the contracting parties without restricting third parties from sourcing inputs from alternative suppliers. OP-1 has further contended that nickel-rich raw materials, stainless-steel scrap, SS Slabs, SS HRC and CRSS are available from multiple domestic and international sources, including suppliers within Indonesia and outside the ET Group. Accordingly, OP-1 has argued that the Informant's allegation of input foreclosure is premised on the erroneous assumption that scarcity of nickel or participation in an upstream joint venture necessarily results in downstream foreclosure. OP-1 has also submitted that the Informant has failed to establish any denial of access to inputs, dependence on OP-1 for procurement, exclusion of competitors, or appreciable adverse effect on competition. It is submitted that the joint venture represents a commercially rational arrangement aimed at ensuring supply continuity and operational efficiency rather than restricting competition.

17.8 In respect of the allegation that its conduct and arrangements with other OPs are in contravention of Section 4(2)(c) of the Act, OP-1 has denied that it holds a dominant position in any relevant market and has contended that the Informant's allegations are premised on an erroneous delineation of the relevant market, which focuses on the downstream CRSS market while alleging foreclosure in upstream input markets. According to OP-1, the stainless-steel value chain comprises multiple stages with diverse domestic and international sources of supply for raw materials, stainless-steel scrap, SS Slabs, SS HRC and CRSS, thereby precluding dependence on any single supplier. It has further submitted that Indian manufacturers routinely procure such inputs from a variety of domestic and international sources and that OP-1 itself supplies slabs, billets, SS HRC and CRSS to several downstream manufacturers. OP-1 has also referred to the presence of multiple integrated stainless-steel producers, independent re-rollers, a sizeable MSME "patta" segment accounting for a significant share of the CRSS market, and substantial excess capacity in the Indian stainless-steel industry. On this basis, OP-1 has contended that there is neither dominance nor dependence on a single source of supply, and that there is no foreclosure of access to upstream inputs or downstream markets. OP-1 has accordingly submitted that the Informant has failed to establish any denial of market access, exclusionary conduct, or appreciable adverse effect on competition.

17.9 In response to the allegation that its conduct through the Jindal Saathi programme and the associated MoUs is in contravention of Sections 4(2)(a) and 4(2)(c) of the Act, OP-1 has submitted that the MoU and the Jindal Saathi programme are voluntary, transparent and efficiency-driven commercial arrangements that do not impose exclusivity obligations or minimum purchase commitments on customers. According to OP-1, the MoU merely provides incremental, volume-based rebates linked to actual procurement volumes and does not provide for any penalties, lock-in arrangements, retroactive discounts or restrictions on sourcing from competing suppliers. OP-1 has further submitted that the Jindal Saathi programme is an optional co-branding and certification initiative intended to protect brand integrity, ensure traceability and prevent the mixing of non-JSL material with JSL-branded products. It has contended that participation in both arrangements is entirely voluntary, limited to a period of one year, and is not a precondition for procuring material from OP-1. OP-1 has further argued that the schemes are objectively justified on account of operational efficiencies, capacity utilisation requirements, and brand protection considerations, and are consistent with the principles recognised in the *CCI v. Schott Glass judgment, 2025 INSC 668* (Civil Appeal No. 5843 of 2014). OP-1 has also submitted that the Informant has failed to produce any evidence demonstrating foreclosure of competition, exclusion of competitors, reduction in consumer choice or any appreciable adverse effect on competition, and has pointed out that a majority of pipe and tube manufacturers in India do not procure from OP-1 and remain free to source their requirements from alternative suppliers.

17.10 In regard to the Commission's query seeking an explanation of the structure and functioning of the market for CRSS products in India, including key participants, market shares, sources of supply, demand segments and the competitive dynamics relevant to OP-1's operations, OP-1 has submitted that reliable data relating to overall demand and market shares in the CRSS market is not available in the public domain. Referring to industry reports, OP-1 has stated that stainless-steel consumption in India was approximately 4.85 million tonnes in FY 2025, driven by demand from sectors such as construction, infrastructure, automotive, railways, process industries, cookware and household applications. It has contended that there is no authoritative or government-verified source providing disaggregated market share data for CRSS products and that it does not have access to the audited sales volumes, capacity utilisation or customer-level data of competing firms.

17.11 Regarding the Commission's query, seeking procurement details of SS Slabs and SS HRC for the last five years, including month-wise, country-wise and seller-wise data in terms of volume and value, OP-1 has furnished procurement details of SS Slabs for the period 2020–2025, including the requisite month-wise, country-wise and seller-wise information on volume and value.

17.12 In response to the Commission's query, seeking an assessment of the availability of alternative global sources for SS Slabs and SS HRC, OP-1 has submitted that alternative global sources for SS Slabs, SS HRC and other nickel-bearing inputs are readily available and that Indian manufacturers are not dependent on any single supplier or geographical area. According to OP-1, stainless-steel scrap, including nickel-rich 300-series scrap, is widely available in international markets and can be sourced from countries such as the United States, Vietnam, Türkiye, Malaysia, Saudi Arabia, Germany and the United Kingdom without significant import restrictions. OP-1 has further furnished details of several overseas suppliers holding BIS licences to export SS HRC to India during the period 2020–2024, including suppliers located in Sweden, South Korea, Japan, Taiwan, Indonesia, China, Belgium, Germany, France, Spain, Brazil, Finland, South Africa and the United States.

17.13 Regarding the Commission's query, on the characteristics of wide and narrow CRSS, including their usage, pricing and customer segments, OP-1 has submitted that the distinction between "wide" and "narrow" CRSS is derived from the Harmonized System ('**HS**') classification under the Customs Tariff Act, 1975, wherein HS Code 7219 covers flat-rolled stainless-steel products having a width of 600 mm or more, while HS Code 7220 covers products having a width below 600 mm. According to OP-1, this classification is intended for customs and tariff administration and is not determinative for defining the relevant market under the Act. OP-1 has further contended that there is no material distinction between wide and narrow CRSS from a competition law perspective, relying on the observations of the Directorate General of Trade Remedies ('**DGTR**') in its 2015 anti-circumvention investigation that the cost differential between the two categories was minimal. OP-1 has also submitted that both wide and narrow CRSS cater to substantially similar customer segments and are used in common applications, including white goods, automotive components, fabrication and industrial uses, thereby indicating a significant overlap in demand conditions and competitive constraints.

17.14 As regards the Commission's query, seeking details of CRSS sales, segmented into wide and narrow categories, by OP-1 and its competitors in terms of volume and value, along with their respective market shares for the last five years, OP-1 has submitted that it does not have access to the sales data of its competitors and that reliable information regarding the overall market size and market shares of the wide and narrow CRSS segments is not available in the public domain. Accordingly, OP-1 has furnished only its own sales data, segmented into wide and narrow CRSS categories based on the relevant HS classifications. According to the data furnished by OP-1, wide CRSS has consistently accounted for the predominant share of its CRSS sales, with sales volumes increasing from approximately 626,148 MT in FY 2020–21 to 1,045,735 MT in FY 2024–25, while sales of narrow CRSS remained relatively stable, ranging between approximately 155,000 MT and 177,000 MT during the same period.

17.15 In response to the Commission's query, seeking the market shares of OP-1 and its competitors in the market for stainless-steel pipes and tubes over the last five years, OP-1 has submitted that reliable information regarding the overall size of the stainless-steel pipes and tubes market is not available in the public domain. OP-1 has clarified that it does not directly manufacture stainless-steel pipes and tubes, which are instead produced by its wholly owned subsidiary, Jindal Stainless Steelway Limited. According to OP-1, the subsidiary is only a marginal participant in the segment. In support of this submission, OP-1 has furnished sales data indicating that the subsidiary's pipes and tubes business grew from 6,878 MT (Rs.110.52 crore) in FY 2020–21 to 9,139 MT (Rs.168.97 crore) in FY 2024–25. OP-1 has further submitted that it does not have access to competitors' sales data, but has identified several established participants in the segment, including Ratnamani Metals & Tubes, Venus Pipes & Tubes, Welspun Specialty Solutions, Suraj Limited, Maharashtra Seamless, Tube Investments, APL Apollo Tubes, as well as numerous regional and MSME manufacturers.

17.16 Regarding the Commission's query, seeking details of the assets and revenues of OP-1 and its competitors for the last five years, OP-1 has submitted that it does not have access to information relating to the assets or revenues of competing firms and is, therefore, unable to furnish comparative industry-wide data. OP-1 has, however, provided details of its own assets and revenues for the last five FYs based on its published annual reports.

Analysis

18. The grievances raised by the Informant primarily relate to the agreements and arrangements between OP-3 and OP-1 for the supply of SS Slabs, as well as those between OP-4 and OP-5 with OP-1 for the supply of SS HRC, which are alleged to constitute exclusive dealing and refusal to deal arrangements in contravention of Sections 3(4)(b) and 3(4)(d) read with Section 3(1) of the Act. The Informant has also alleged that OP-1 has abused its dominant position in the market for wide CRSS products in India in contravention of Sections 4(2)(a)(i) and 4(2)(c) read with Section 4(1) of the Act. Further, the Informant has alleged that the conduct of OP-1 under its Jindal Saathi programme and the associated MoUs amounts to an abuse of dominant position in contravention of Sections 4(2)(a) and 4(2)(c) read with Section 4(1) of the Act.

Determination of Relevant Market and Dominance

19. The Commission notes that the relevant market proposed by OP-1, namely *the market for procurement and supply of raw materials and intermediate inputs used in stainless-steel manufacturing in the global market including India*, appears to be excessively broad, as it encompasses distinct products such as stainless-steel scrap, ferro-alloys, SS Slabs and SS HRC, which may not be interchangeable. At the same time, the relevant market proposed by the Informant, namely the *market for wide CRSS in India*, appears to be unduly narrow, particularly in view of the material placed on record suggesting similarities in the characteristics, end uses and production processes of wide and narrow CRSS products, as well as the existence of supply-side substitutability. In the facts of the present case, the issues raised in the Information may, therefore, be more appropriately examined within the vertically related markets, namely: (i) *the market for the supply of SS Slabs and SS HRC used in the manufacture of CRSS in India* (upstream market); and (ii) the *market for CRSS in India* (downstream market).

20. Based on the material available on record, OP-1 does not appear to hold a dominant position in the upstream market. The record indicates the presence of multiple domestic and international suppliers, including several BIS-certified overseas manufacturers, and does not *prima facie* demonstrate that competing manufacturers are dependent upon OP-1 for access to such inputs.

21. However, as regards the downstream market for CRSS in India, the material available on record *prima facie* indicates that OP-1 enjoys a position of strength. OP-1 appears to possess considerable economic resources, reflected in its assets, revenues, production capacity and continued expansion through acquisitions and backward integration initiatives. The material also indicates that OP-1 has a significant presence particularly in the wide CRSS segment. Having regard to these factors, including its scale of operations, economic strength and degree of vertical integration across the stainless-steel value chain, OP-1 appears, *prima facie*, to occupy a dominant position in the market *for CRSS in India*.

<u>Analysis of Allegations pertaining to alleged violations of Section 3(4)</u>

22. The Commission observes that allegations concerning exclusive dealing and refusal to deal arrangements between OP-1 and OP-3/OP-4/OP-5 are premised on the assertion that competing manufacturers have been denied access to nickel-rich SS Slabs and SS HRC. However, the Informant has not furnished any direct evidence demonstrating that it, or any other competing manufacturer, sought procurement of SS Slabs or SS HRC from OP-3, OP-4 or OP-5 and was refused supply. The allegations are therefore based largely on circumstantial indicators such as import patterns, strategic investments and Indonesia's position in the nickel value chain.

23. The Commission also observes that as per OP-1, it is not the only entity procuring such inputs from Indonesia, noting that Rimjhim Stainless also imports SS slabs from Indonesia, while companies such as Viraj Profiles procure billets from Indonesian facilities. OP-1 further states that SS HRC is routinely imported into India from several countries, including Sweden, South Korea, Japan, Taiwan, China and France, and that numerous BIS-certified suppliers are authorised to export such products into India. It is

also submitted that OP-1, through its affiliates, supplies billets sourced from Indonesia to various domestic manufacturers In addition, OP-1 points to the presence of several domestic suppliers of SS Slabs, SS HRC and other intermediate products, including Salem Steel Plant, Rimjhim/BRG Iron & Steel, Lohia Alloys, Valley Iron/Bindal Stainless and Sambhav Stainless.

24. Further, the Commission also observes from the submission of OP-1 that OP-1 and the ET Group have entered into a Collaboration Agreement to establish a 49:51 joint venture in Indonesia for the development and operation of a stainless-steel melt shop facility with an annual capacity of 1.2 MT. The joint venture is primarily intended to produce SS Slabs (and potentially SS HRC) and incorporates an exclusive off-take arrangement under which OP-1, through its affiliate, has the right and obligation to procure specified quantities of the joint venture's output on agreed commercial terms. The arrangement is structured largely for captive consumption by OP-1, with minimum take-or-pay commitments ensuring demand certainty and commercial viability of the project. While OP-1's affiliates act as the exclusive channel for supply of the joint venture's output in India, the ET Group remains free to market and sell the joint venture's output in territories outside India.

25. Insofar as the allegations under Section 3(4) of the Act are concerned, the Commission has considered the factors set out under Section 19(3) of the Act. The material available on record does not indicate that the impugned arrangements have resulted in the creation of barriers to entry, as multiple domestic and international sources of SS Slabs, SS HRC, stainless-steel scrap and other inputs appear to remain available, with imports continuing to constitute an important source of supply. Similarly, no material has been placed on record to suggest that any existing manufacturer of CRSS has exited the market on account of the alleged conduct. The allegation of input foreclosure also does not appear to be substantiated, as no specific instance has been identified where the supply of SS Slabs or SS HRC sought by any manufacturer was denied by the concerned suppliers. Further, no material has been placed before the Commission at this stage to demonstrate any adverse impact on consumers resulting from the impugned arrangements. On the other hand, the material on record indicates that the joint venture has been presented by

OP-1 as a backward integration initiative intended to secure long-term access to critical inputs and support expansion of production capacity.

26. The material relating to the joint venture between OP-1 and the ET Group does not, *prima facie*, disclose any competition concern. While the arrangement provides OP-1 preferential access to the joint venture's output, the submission indicates continued availability of alternative domestic and international sources of supply. Further, no evidence has been produced demonstrating denial of access to competitors, foreclosure of upstream supply sources, or appreciable adverse effects on competition. Thus, the allegations against OPs in respect of exclusive dealing and refusal to deal arrangements leading to foreclosure of access to SS Slabs and SS HRC appear to be unfounded, and *prima facie* there appears to be no violation of Sections 3(4)(b) and 3(4)(d) of the Act.

Analysis of Allegations pertaining to Section 4(2)(c) of the Act

27. The allegation under Section 4(2)(c) of the Act is premised on the assertion that the impugned arrangements have resulted in input foreclosure and consequent denial of market access to competing manufacturers. However, as discussed in the preceding paragraphs, the Informant has not placed any evidence on record to demonstrate that it, or any other competing manufacturer, sought access to SS Slabs, SS HRC or other critical inputs and was denied such access. Likewise, no evidence has been adduced to show that any competing manufacturer suffered production constraints, reduced output, market exit or any other competitive disadvantage attributable to restricted access to such inputs.

28. OP-1, on the other hand, has submitted that SS Slabs, SS HRC and other intermediate stainless-steel products are available from multiple domestic and international sources. OP-1 has further stated that it manufactures and supplies a range of stainless-steel products, including slabs, billets, SS HRC and CRSS, to downstream processors and manufacturers. OP-1 has also submitted that billets sourced from Indonesia are supplied to several domestic manufacturers, including Mukand, Ambica Steel, Synergy, Shyam SEL, Rajputana, Jai Jagdamba and Shah Foils, suggesting that nickel-bearing intermediate inputs are available to market participants through multiple channels.

29. The material available on record before the Commission also indicates the presence of several domestic manufacturers of SS Slabs, SS HRC and other intermediate stainless-steel products. In addition, independent re-rollers and processors, such as Suncity Metals & Tubes, Hisar Metal Industries, Quality Foil and Frontier Alloy Steels, are stated to procure inputs from a range of domestic and international suppliers. OP-1 has further submitted that CRSS products may also be imported from numerous BIS-certified suppliers located in United Arab Emirates, Sweden, Germany, Vietnam, Japan, Türkiye, Taiwan and Indonesia, and that imports of CRSS into India continue to take place.

30. The submissions made by OP-1 also indicate the presence of several integrated stainless-steel manufacturers, independent re-rollers, downstream processors and a large number of MSME "patta" manufacturers operating in the industry. Reference has also been made to the existence of significant production capacity within the domestic stainless-steel sector. In these circumstances, the Commission is of the *prima facie* view that the allegation that the impugned arrangements have resulted in denial of market access to competing manufacturers in the downstream market for CRSS in India is not substantiated and, *prima facie*, there appears to be no violation of Section 4(2)(c) of the Act.

<u>Analysis of OP-1's Conduct under the Jindal Sathi Arrangement and MoU in the Context of Sections 4(2)(a) and 4(2)(c) of the Act</u>

31. The Informant alleged that OP-1, through its Jindal Saathi programme and the associated MoUs, abused its dominant position by implementing a multi-tiered incentive structure that created *de facto* exclusivity and lock-in for downstream purchasers of CRSS. According to the Informant, the volume-based discounts, quarterly and annual bonuses, and MoU signing incentives were contingent upon meeting high State-wise procurement thresholds, thereby compelling purchasers to source most, if not all, of their requirements from OP-1. It was further alleged that the interlinked incentive structure effectively forced participants to renew MoUs year after year, foreclosing competitors. The Informant also contended that OP-1 coerced downstream entities into signing the MoUs through threats of delayed or discontinued supplies and used periodic audits, ostensibly conducted for

anti-counterfeiting purposes, to monitor compliance and ensure maximum procurement from OP-1, thereby reinforcing its dominance and denying customers a meaningful choice.

32. The Commission notes from the submissions of OP-1 that it introduced the Jindal Saathi programme in July, 2019 as a co-branding initiative for pipe and tube manufacturers with the stated objective of curbing counterfeiting and ensuring traceability of stainless-steel products in the decorative pipe and tube segment. The programme operates through MoUs executed with participating manufacturers, under which co-branded seals are affixed to products to facilitate identification of genuine products.

33. The Commission further notes from the submission of OP-1 that the MoU is a voluntary, non-binding and incentive-based commercial arrangement, which neither constitutes a purchase or supply agreement nor imposes any minimum purchase obligation, exclusivity requirement, or penalty for procuring material from competing suppliers. According to OP-1, the volume-based discounts and incentives are transparent, uniformly applicable, incremental in nature, and reflect legitimate commercial practices intended to improve demand visibility, capacity utilisation and operational efficiency, without restricting customer choice or foreclosing competitors.

34. The Commission further notes OP-1's submission that the Jindal Saathi programme is an optional co-branding and certification initiative available only to MoU partners who voluntarily choose to participate. OP-1 has stated that the programme is designed to protect the integrity of the OP-1 brand by preventing the mixing of inferior-quality material with JSL products through traceability mechanisms, inspections and audits.

35. The Commission also notes OP-1's submission that a substantial number of pipe and tube manufacturers either procure from suppliers other than OP-1 or continue to purchase from OP-1 without participating in the MoU or the Jindal Saathi programme, indicating that participation is a matter of commercial choice.

36. The Commission observes that the material on record indicates that participation in the Jindal Saathi programme and the associated MoUs is voluntary and is not a precondition for purchasing material from OP-1. The terms of the MoUs permit participants to procure and sell material outside the arrangement and do not impose any exclusivity obligation. Further, the inspection, traceability and record-maintenance requirements appear to be directed towards the stated objective of preventing counterfeiting and ensuring product traceability, rather than restricting the commercial freedom of participants. In the absence of evidence demonstrating customer lock-in, exclusivity, denial of market access, loss of customers, or foreclosure of competing manufacturers, the Commission finds no material to conclude that the impugned arrangements result in an abuse of dominant position under Sections 4(2)(a) or 4(2)(c) of the Act.

37. Based on the aforesaid, the Commission does not find alleged contravention of the provisions of Sections 3(4) and 4 of the Act against OPs being made out. In view of the foregoing, the Commission is of the opinion that there exists no *prima facie* case of contravention of the provisions of the Act and the information filed is directed to be closed under Section 26(2) of the Act.

38. Before parting with the order, the Commission deems it appropriate to address the requests for confidentiality filed by parties under Section 57 of the Act and Regulation 36 of the Competition Commission of India (General Regulations 2024) ('**General Regulations**'). The Informant has sought confidentiality over its identity and certain documents/information submitted in the proceedings. Similarly, OP-1 has requested confidentiality concerning specific documents, data, and information filed by them. Considering the grounds put forth by the parties for the grant of confidential treatment, the Commission grants confidentiality to such documents/ information in terms of Regulation 36 of the General Regulations read with Section 57 of the Act for a period of three years from the passing of this order. The Commission also grants confidentiality on the identity of the Informant as prayed. It is, however, made clear that nothing used in this order shall be deemed to be confidential or deemed to have been granted confidentiality as the same has been used for the purposes of the Act in terms of the provisions contained in Section 57 thereof.

39. The Secretary is directed to inform the Informant and OP-1 accordingly.

Sd/-
(Ravneet Kaur)
Chairperson

Sd/-
(Sweta Kakkad)
Member

Sd/-
(Deepak Anurag)
Member

Date:21/07/2026
New Delhi