



## COMPETITION TRIBUNAL OF SOUTH AFRICA

Case no: LM179Jan21

**Lereko Capital (Pty) Ltd** (Primary Acquiring Firm)  
and  
**Andru Mining (Pty) Ltd** (Primary Target Firm)

Heard on: 24 February 2021

Order Issued on: 24 February 2021

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### REASONS FOR DECISION

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- [1] On 24 February 2021, the Competition Tribunal unconditionally approved a large merger between Lereko Capital (Pty) Ltd (“Lereko Capital”) and Andru Mining (Pty) Ltd (“Andru Mining”).
- [2] The transaction involves Lereko Capital acquiring veto rights over certain reserved matters of Andru Mining, such that Lereko Capital will have negative control over Andru Mining.
- [3] Lereko Capital is a private equity fund, whose investment portfolio consists of investments in, amongst others, the renewable energy and student accommodation sectors. [REDACTED].<sup>1</sup>
- [4] Andru Mining’s activities are focused on contract mining operations in different commodities, such as opencast coal mining and hardrock opencast mining. Andru Mining is currently not controlled by any individual or firm.
- [5] There are no horizontal or vertical overlaps between the activities of the merger parties. Despite this, the Commission assessed a notional horizontal overlap in the national market for the provision of open cast mining services, to the extent that Lereko Capital already holds 49% of the shares in Andru Mining. The Commission concluded that there would no change to the structure of the market. Andru Mining has an estimated market share of [REDACTED]. Post-merger, there will be no accretion to the market share.
- [6] The merger parties will continue to face competition from other players.<sup>2</sup>
- [7] No third parties raised concerns regarding the effects of the proposed transaction on competition or the public interest.

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<sup>1</sup> [REDACTED]

<sup>2</sup> Moolmans, Trollope, and Stefanutti Stocks Mining.

- [8] We concluded that the proposed transaction does not substantially prevent or lessen competition in any relevant market.
- [9] In relation to public interest considerations, we note specifically that the proposed transaction will not have a negative effect on the level of Broad-Based Black Economic Empowerment or worker ownership, which pre-merger is 53.5%, and will remain the same post-merger.

*Enver Daniels*

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**Mr Enver Daniels**  
**Ms Mondo Mazwai and Mr Halton Cheadle concurring**

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**08 March 2021**

**Date**

Tribunal Case Manager: Duduetsang Mogapi  
For the Merging Parties: J Lurie and K McLean of Bowman Gilfillan  
For the Commission: M Aphane and T Masithulela