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**COMPETITION COMMISSION OF INDIA**  
(Combination Registration No. C-2013/11/138)

12.12.2013

**Notice u/s 6 (2) of the Competition Act, 2002 given by:**

- JSW Steel Limited

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

1. On 1<sup>st</sup> November, 2013, the Competition Commission of India (hereinafter referred to as the “**Commission**”) received a notice under sub-section (2) of Section 6 of the Competition Act, 2002 (hereinafter referred to as the “**Act**”) given by JSW Steel Limited (“hereinafter referred to as “**JSW Steel/Acquirer**”).
2. In terms of Regulation 14 of Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 (hereinafter referred to as “**Combination Regulations**”), on 8<sup>th</sup> November, 2013, the Acquirer was required to remove certain defects and provide information/document(s). The reply of the Acquirer was filed on 25<sup>th</sup> November, 2013. The Acquirer also filed additional information on 26<sup>th</sup> November, 2013 in continuation of its response dated 25<sup>th</sup> November, 2013.
3. The notice relates to the proposed acquisition of the cement manufacturing undertaking of Heidelberg Cement India Ltd. (hereinafter referred to as “**HCIL**”) situated at Dolvi, district Raigad



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(Maharashtra) (hereinafter referred to as the “**Raigad Undertaking**”), by JSW Steel, on a slump sale basis.

4. The proposed combination falls under Section 5 of the Act.
5. JSW Steel is a listed company incorporated in India and is stated to be a part of the diversified JSW group, which has its presence in the steel, energy, infrastructure, cement, aluminium and information technology sectors. As stated in the notice, JSW Steel also owns and operates a cement grinding unit having an installed capacity of 0.3 mtpa, situated at district Bellary (Karnataka). However, as stated in the notice, the entire quantity of cement manufactured at this grinding unit is stated to be captively consumed. JSW Cement Limited (“**JSW Cement**”), which is also part of the JSW group, is engaged in manufacturing and selling different varieties of cement like portland slag cement (“**PSC**”), ordinary portland cement (“**OPC**”) and Ground Granulated Blast Furnace Slag (“**GGBS**”) at two of its plants situated at Bellary (Karnataka) (“**Vijayanagar plant**”), having an installed capacity of 0.7 mtpa and at Kurnool (Andhra Pradesh) (“**Nandyal plant**”) having an installed capacity of 4.5 mtpa. Further, as per the notice, JSW Cement has also recently acquired a grinding unit of the capacity of 0.1 mtpa at Dolvi, Raigad (Maharashtra).
6. HCIL, formerly known as Mysore Cements Limited, and a listed company incorporated in India, is engaged in the manufacture of different varieties of cement, like PSC, OPC and GGBS with a total installed capacity of 6 mtpa. HCIL also produces ancillary products comprising blast furnace slag (“**BF slag**”) and clinker. It operates its cement plants and grinding units at Tumkur (Karnataka), Jhansi (Uttar



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Pradesh), Damoh (Madhya Pradesh) and at Dolvi, Raigad (Maharashtra) (Raigad Undertaking). The Raigad Undertaking which is proposed to be acquired is stated to have an installed capacity of 0.6 mtpa.

7. Cement is one of the fundamental elements required for developing the infrastructure of the country. There are a number of large and small cement plants located at different places in the country. As cement is a freight intensive industry, the segment is domestically driven and exports account for a negligible percentage of the total cement consumption in India.
8. As observed earlier, JSW Steel is principally engaged in the manufacture of steel and steel products and also operates a cement grinding unit located at Bellary (Karnataka), the entire production of which is captively consumed. The Raigad Undertaking, which is proposed to be acquired by JSW Steel, has an installed capacity of 0.6 mtpa only. It is observed that JSW Cement, which is a part of the JSW group and manufactures and sells different varieties of cement similar to that of HCIL, has a cumulative annual installed capacity of about 5.2 mtpa, at its plants at Vijaynagar and Nandyal. Further, JSW Cement is a relatively new player in the cement industry, having commenced its Vijaynagar plant in the year 2009. Further, as stated in the notice, the trial run of the Nandyal plant of JSW Cement started in the year 2011-12. Moreover, the grinding unit acquired by JSW Cement at Dolvi, Raigad (Maharashtra) with an installed capacity of 0.1 mtpa, is stated to start its commercial operations in the year 2013-14. Accordingly, the Raigad Undertaking, having a capacity to



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produce only 0.6 mtpa, once acquired, will not substantially increase the total cement production capacity of the JSW group.

9. As stated in the notice, JSW Steel is also selling BF slag generated as a residue from its steel plant at Dolvi, Raigad (Maharashtra) to the Raigad Undertaking of HCIL. It has been stated in the notice that as part of the proposed combination, the obligation of HCIL to lift BF slag from JSW Steel will end and the proposed combination would help JSW Steel to use the blast furnace slag produced by it effectively and efficiently.
10. In view of the foregoing, the proposed combination is not likely to give rise to any competition concern.
11. Considering the facts on record and the details provided in the notice given under sub-section (2) of Section 6 of the Act and the assessment of the combination after considering the relevant factors mentioned 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 appreciable adverse effect on competition in India and therefore, the Commission hereby approves the proposed combination under sub-section (1) of Section 31 of the Act.
12. This approval is without prejudice to any other legal/statutory obligations as applicable.
13. This order shall stand revoked if, at any time, the information provided by the notifying parties is found to be incorrect.



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

(Ashok Chawla)  
Chairperson

(Geeta Gouri)  
Member

(Anurag Goel)  
Member

(M. L. Tayal)  
Member

(S.N. Dhingra)  
Member

(S. L. Bunker)  
Member