



Fair Competition  
For Greater Good

**COMPETITION COMMISSION OF INDIA**  
(Combination Registration No. C-2013/12/146)

**30.01.2014**

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

- Inox Air Products Limited.

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

**A. INTRODUCTION**

1. On 27<sup>th</sup> December, 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 Inox Air Products Limited (hereinafter referred to as “**Inox AP**” or the “**Acquirer**”). The notice was given pursuant to the execution of a Business Transfer Agreement (BTA) between Inox AP and Essar Steel Limited (hereinafter referred to as “**Essar Steel**”), on 24<sup>th</sup> December, 2013, according to which the gas plant of Essar Steel located at Hazira, Gujarat, consisting of three air separation units, shall be transferred, on a slump sale basis, to Inox AP (hereinafter Inox AP and Essar Steel are collectively referred to as the “**Parties**”). The proposed combination falls under Section 5 (a) of the Act.
2. In terms of Regulation 14 of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 (hereinafter referred to as the “Combination Regulations”), vide letter dated 31<sup>st</sup> December, 2013, the Acquirer was required to remove certain defects and provide information/document(s) by 10<sup>th</sup> January, 2014. As the reply submitted vide letter dated 10<sup>th</sup> January,



Fair Competition  
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2014 was not complete, the Acquirer, vide letter dated 15<sup>th</sup> January, 2014, was asked to furnish the complete information/documents, by 21<sup>st</sup> January, 2014. The Acquirer submitted its reply on 17<sup>th</sup> January, 2014. The Acquirer also submitted additional inputs/information pertaining to the notice vide letters dated 31<sup>st</sup> December, 2013, 7<sup>th</sup> January, 2014, and 17<sup>th</sup> January, 2014.

3. Inox AP, incorporated in the year 1963, under the Companies Act 1956, is engaged in the business of manufacturing and supplying industrial gases, including oxygen, nitrogen, helium, argon, acetylene and special gas mixtures, across India.
4. Essar Steel, incorporated in the year 1976, under the provisions of the Companies Act 1956, is an integrated steel producer. As part of its business activity of steel manufacturing, Essar steel has a gas plant, producing oxygen, nitrogen, and argon gases, with a combined capacity of the three air separation units being around 1700 tpd, at its Hazira steel plant. As stated, the gases produced in the units located at Hazira plant are primarily used for the purpose of captive consumption in steel manufacturing by Essar Steel.
5. As stated in the notice and other documents on record, in terms of a job work agreement, which is proposed to be signed by the Parties, a guaranteed quantity of the industrial gases produced at the Hazira plant of Essar Steel, on job work and long term basis, would be provided to Essar Steel, by Inox AP, post combination. The proposed acquisition of the gas plant at Hazira, will also not increase, in any significant manner, the capacity of Inox AP for producing and selling industrial gases, in India.
6. Considering the facts on record, the details provided in the notice given under sub-section (2) of Section 6 of the Act and the assessment of the proposed combination on the basis of the factors stated in sub-section (4) of Section 20 of the Act, the Commission is of the opinion that the proposed



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combination is not likely to have an 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.

7. This approval is without prejudice to any other legal/statutory obligations as applicable.
8. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.
9. The Secretary is directed to communicate to the Acquirer accordingly.

(Ashok Chawla)  
Chairperson

(Geeta Gauri)  
Member

(Anurag Goel)  
Member

(S.N. Dhingra)  
Member

(S.L. Bunker)  
Member