



(Combination Registration No. C-2014/07/196)

23.09.2014

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

- INEOS Styrolution Holding Gmbh

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

1. On 30th July 2014, 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 (“**Act**”) filed by INEOS Styrolution Holding Gmbh (“**INEOS Styrolution**”), an indirect subsidiary of INEOS AG (“**INEOS**”) (hereinafter also referred to as the “**Acquirer**”). The said notice was given to the Commission pursuant to execution of a Share Purchase Agreement (“**SPA**”) between INEOS Styrolution, BASF (SE) and BASF Antwerpen N.V {hereinafter BASF (SE)and BASF Antwerpen N.V together referred to as “**BASF**”}on 30th June 2014.
2. The proposed combination involves acquisition by INEOS Styrolution of all shares held by BASF in Styrolution Holding Gmbh (“**Styrolution**”), a joint venture company of INEOS and BASF. An internal reorganization would result in INEOS also transferring its shares in Styrolution to INEOS Styrolution such that post-combination INEOS Styrolution would hold the entire shareholding in Styrolution. Accordingly, the proposed combination would result in INEOS acquiring sole control over Styrolution.
3. 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**”), vide letter dated 7thAugust 2014 the Acquirer was required to provide information/document(s) latest by 13thAugust 2014. The Acquirer submitted the reply on due date. The Acquirer also submitted some additional information on 21st August 2014, 26th August 2014 and 1st September 2014 respectively. Based on the additional information submitted by the Acquirer, a letter under Regulation 14 of the Combination Regulations, in continuation of letter dated 7th August 2014, was issued on 2nd September 2014, the reply to which was given by the Acquirer on 5th September 2014.



4. INEOS is a global manufacturer of petrochemicals, speciality chemicals and oil products. BASF is also a global company, whose product portfolio includes petrochemicals, intermediate chemicals, monomers, etc. Styrolution was incorporated in 2011 under the laws of Germany as a 50:50 joint venture enterprise between INEOS and BASF with both INEOS and BASF having joint control over Styrolution.
5. In India, Styrolution operates through its two subsidiaries namely Styrolution ABS (India) Limited and Styrolution India Private Limited (hereinafter referred to as “**Styrolution India**”). Styrolution India is inter-alia engaged in manufacturing of ABS, Styrene Acrylonitrile Resin (“**SAN**”) polymers and PS. As stated in the notice, both INEOS and BASF do not sell any of these products in India, other than through Styrolution India. Further, as regard the activities of BASF other than through Styrolution in India, as stated in the notice, BASF is inter-alia engaged in the businesses of manufacturing and marketing textile and leather auxiliaries crop protection chemicals, textile chemicals, dyes, automotive and coil coatings, construction and paper chemicals, polystyrene and polyurethane systems, apart from wide range of intermediates, catalysts and other chemicals for life sciences.
6. As regards the vertical relationship in India between INEOS and Styrolution India, as stated in the notice and documents submitted by the Acquirer, INEOS is supplying acrylonitrile (“**ACN**”), which is used in the production of SAN, ABS etc. manufactured by Styrolution India. It is however, observed that the supplies by INEOS to Styrolution India constitute an insignificant proportion of total consumption of ACN in India. Furthermore, it is also noted that INEOS did not supply ACN to any other company in India. Accordingly, it is not likely that the said vertical relationship would result in foreclosure to other companies in India.
7. Therefore, given the absence of horizontal product overlap and an insignificant vertical relationship, the proposed combination is not likely cause any competition concerns in India.
8. Considering the facts on record and the details provided in the notice given under sub-section (2) of section 6 of the Act and assessment of the proposed combination on the basis of factors stated 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 an appreciable adverse effect on competition in India in any of the relevant market(s) and therefore, the Commission hereby approves the same under sub-section (1) of section 31 of the Act.



COMPETITION COMMISSION OF INDIA



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