COMPETITION COMMISSION OF INDIA

(Combination Registration No. C-2015/03/260)

Fair Competition
For Greater Good

07.05.2015

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

- **Balasore Alloys Limited**

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

1. On 23rd March 2015, Balasore Alloys Limited ('**BAL' or 'Acquirer'**) filed a notice under sub-section (2) of Section 6 of the Act for acquisition of Rohit Ferro Tech Limited's ('**RFTL'**) ferrochrome producing facility at Jajpur, in the state of Odisha ('**Facility**') on a slump-sale basis, pursuant to a Business Transfer Agreement ('**BTA**'), entered into between them on 19th February 2015. (Hereinafter, BAL and RFTL are collectively referred to as 'parties')

2. The Proposed Combination falls under section 5 (a) of the Act.

3. In terms of Regulation 14 of Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 ('**Combination Regulations**'), vide letter dated 10th April 2015, the Acquirer was required to remove certain defects and provide information/document(s) by 20th April 2015. The Acquirer submitted its response on 20th April 2015, 21st April 2015 and 22nd April 2015. As the response submitted by the Acquirer was incomplete and certain discrepancies were observed in the information, vide letter dated 24th April 2015, the Acquirer was required to clarify and provide complete information /documents by 27th April 2015. However, the Acquirer filed its response on 29th April 2015 after seeking extension of time. The Acquirer was again asked to clarify certain discrepancies in its reply dated 29th April 2015, the response to which was submitted by the Acquirer vide email dated 30th April, 2015.

4. BAL, a company listed on the National Stock Exchange of India Limited ("NSE") and the Bombay Stock Exchange ("BSE") is stated to be currently engaged in the manufacture of ferrochrome.

5. RFTL, also a company listed on the NSE and the BSE, is *inter alia* engaged in the production of ferro alloys including ferrochrome. RFTL has three ferro alloy producing facilities located at Bishnupur and Haldia in West Bengal and Jajpur in Odisha. As stated in the notice, the Facility of RFTL being transferred to BAL has a capacity of one lakh tonnes per annum.

6. As stated above, it is noted that while RFTL provides a whole range of ferro alloys, BAL is stated to be engaged in the production of ferrochrome only.

7. Ferrochrome, an alloy of chromium and iron, is one of the major alloying elements in the production of stainless steel. Chromium imparts the quality of corrosion resistance to the stainless steel. Regarding acquisition of the Facility of RFTL by BAL, it is noted that the post combination market share of the BAL and the presence of other major producers of ferrochrome and other ferro alloys in India such as Tata Steel, Ferro Alloys Corporation Limited, Indian Metals and Ferro Alloys, Jindal Steel, Visa Steel would not allow BAL to raise any competition concerns. Further, it is also noted from the submissions of the Acquirer that producers of other ferro alloys can also manufacture ferrochrome as similar type of plants and equipment may produce different types of ferro alloys. As per the information submitted by Acquirer, there is no vertical relationship between the parties.

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 and therefore, the Commission hereby approves the same under sub-section (1) of section 31 of the Act.

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 Acquirer is found to be incorrect.

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