



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2015/12/347)

4th February 2016

Notice under Section 6 (2) of the Competition Act, 2002 given by SRF Ltd.

CORAM:

Mr. Devender Kumar Sikri
Chairperson

Mr. S.L. Bunker
Member

Mr. Sudhir Mital
Member

Mr. Augustine Peter
Member

Mr. U.C. Nahta
Member

Mr. M.S. Sahoo
Member

Mr. G.P. Mittal
Member

Legal Representative: M/s Vinod Dhall & tt&a

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

1. On 4th December 2015, the Competition Commission of India (hereinafter referred to as the “**Commission**”) received a notice filed by SRF Ltd (“**SRF**”/ “**Acquirer**”) after initiation of an inquiry under the relevant provisions of the Competition Act, 2002 (“**Act**”).
2. The combination relates to acquisition of pharma grade HFC 134a fluorochemical propellants business (“**Target business**”) of E.I Du Pont De Nemours and Company (“**DuPont**”/ “**Seller**”) by SRF, pursuant to a Commercial Assets Sale and IP License



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2015/12/347)



*Fair Competition
For Greater Good*

Agreement dated 31.12.2014 signed between SRF & Du Pont. (Hereinafter SRF and DuPont are together referred to as '**Parties**').

3. The Target business, *inter alia*, comprises assignment of the trademark and domain name "Dymel" ('**Product**') as registered in various countries along with copyright, License to exclusive know how and intellectual property related thereto, to the Acquirer. It has been stated in the notice that Parties have also entered into a 'Supply agreement' under which SRF will license back the above stated exclusive know-how and intellectual property to DuPont who will manufacture and supply the Product for a certain number of years.
4. In terms of Regulation 14 of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 ('**Combination Regulations**'), the Acquirer, vide Commission's letter dated 1st January 2016, was required to provide certain information and response to the same was provided on 11th January 2016.
5. The combination falls under Section 5(a) of the Act.
6. SRF, a public limited company incorporated under the Companies Act, 1956, is engaged in the manufacture and sale of chemicals including specialty chemicals, packaging films and engineering plastics.
7. DuPont, a company incorporated in USA and listed at New York Stock exchange, is engaged globally in three segments; (i) agriculture & nutrition; (ii) speciality chemicals; and (iii) advanced materials and bio-based industrials products. It is also active globally in building materials, crop protection, electronics and communications, industrial biosciences, nutrition and health, packaging and industrial polymers, performance polymers, agricultural products, protection technologies and sustainable solutions.
8. As per information provided in the notice, SRF does not manufacture or sell pharmaceutical grade flourochemical HFC 134a ('**Pharma grade**') in India or globally and is, currently, engaged in the manufacture and sale of technical grade HFC 134a ('**Technical grade**'). Technical grade is used in refrigeration and air conditioning applications whereas Pharma grade is used as propellant in metered dose inhalers i.e. for medical purposes. Thus, there are no horizontal overlaps.
9. With regard to vertical relationships, it has been stated in the notice that there is no existing vertical relationship between the Parties. Further, the relationship emanating from the Supply agreement would not raise competition concern considering that prior to the combination, SRF was not present in Pharma grade.



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2015/12/347)



*Fair Competition
For Greater Good*

10. 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 combination on the basis of factors stated in sub-section (4) of Section 20 of the Act, the Commission is of the opinion that 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. This order is, however, issued without prejudice to proceedings under Section 43A of the Act.
11. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.
12. The Secretary is directed to communicate to the Acquirer accordingly.