



COMPETITION COMMISSION OF INDIA

(Combination Registration No.C-2016/12/466)



Fair Competition
For Greater Good

31st January, 2017

Notice under Section 6 (2) of the Competition Act, 2002 given by Indian Potash Limited

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. G.P. Mittal
Member

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

1. On 19th December, 2016, the Competition Commission of India (hereinafter referred to as the “**Commission**”) received a notice from Indian Potash Limited, (“**IPL**”/ “**Acquirer**”) regarding its proposed acquisition of Titawi Sugar Complex (“**TSC**”), a unit of Mawana Sugar Limited (“**MSL**”) as a going concern on a slump sale basis. (Hereinafter, IPL and MSL are collectively referred to as “**Parties**”). The notice was filed pursuant to Business Transfer Agreement (“**BTA**”) dated 18th November, 2016, entered into between the Parties.
2. The proposed combination has been filed under sub-section (2) of Section 6 read with sub-section (a) of Section 5 of the Competition Act, 2002 (“**Act**”).



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3. IPL, a public limited company registered in India, is, *inter-alia*, engaged in manufacture and sale of fertilizers such as muriate of potash, sulphate of potash, trading of gold and other precious metals, and production and sale of sugar.
4. MSL, a public limited company registered in India, is, *inter-alia*, engaged in business of manufacture and sale of sugar and its by products such as bagasse, molasses and press mud.
5. With regard to the horizontal overlap, it has been stated in the notice that both IPL and MSL are engaged in manufacture and sale of sugar and its by-products viz: molasses, bagasse and press mud in the state of Uttar Pradesh. Accordingly, horizontal overlap exists only in respect of sugar and its by-products. It has been submitted that there is no vertical relationship between the Parties.
6. The Commission observed that the proposed combination pertains to manufacture and sale of sugar and its by-products. It is submitted by the Parties in the notice that in case of sugar, freight is a critical factor and sale of sugar is viable in a particular catchment area. However, the exact delineation of the relevant market in the present case is being left open as the proposed combination is not likely to raise any competition concerns, irrespective of the manner in which market is defined.
7. The Commission observed that the proposed combination is unlikely to cause any competition concern given the insignificant presence of the Parties and presence of a number of other players such as Balrampur Chini Mills Ltd., Uttam Sugars Mills Ltd., Triveni Engineers & Industries Ltd., Dhampur Sugar Mills Ltd. and Bajaj Hindustan Sugars Ltd, which are engaged in manufacture and sale of sugar and its by-products.
8. Considering the facts on record, 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 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.



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9. This order shall stand revoked if, at any time, the information provided by the Parties is found to be incorrect.
10. The Secretary is directed to communicate to the parties accordingly.