



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2018/12/624)

10th January, 2019

Notice under Section 6 (2) of the Competition Act, 2002 given by ArcelorMittal India Private Limited

Mr. Ashok Kumar Gupta
Chairperson

Mr. U. C. Nahta
Member

Ms. Sangeeta Verma
Member

Legal Representative of the Parties: S&R Associates

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

1. On 17th December, 2018, the Competition Commission of India (**Commission**) received a notice filed under sub-section (2) of Section 6 of the Competition Act, 2002 (**Act**) by ArcelorMittal India Private Limited (**AMIPL/Acquirer**) relating to acquisition of 100% equity shares of EPC Constructions India Limited (**EPCC/Target**) by participating in the insolvency resolution process under the Insolvency and Bankruptcy Code, 2016 (**IBC**).
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 (**Combination Regulations**), vide letter dated 27th December, 2018, certain information and clarifications, *inter alia*, relating to current status/stage of Corporate Insolvency Resolution Plan, complete list of businesses/activities of EPCC and the relation of Nippon Steel & Sumitomo Metal Corporation with respect to this Proposed Combination were sought from the AMIPL. The response to this was filed by AMIPL on 1st January, 2019.



3. AMIPL, incorporated in India and a wholly-owned indirect subsidiary of ArcelorMittal Societe Anonyme (**AMSA**), is a part of ArcelorMittal group (**AM Group**). AMIPL has investment in two Indian companies namely Seregarha Mines Limited and Rampia Coal & Mine Energy Private Limited, which are stated to be currently not operational. AM Group, through its several entities, is engaged in manufacturing and trading of iron and steel worldwide and has substantial mining operations in respect of iron ore and coal. AM Group does not have a steel manufacturing unit in India but is present in the form of sale of steel products.
4. **EPCC**, incorporated in India and a wholly-owned subsidiary of Essar Projects Limited, Dubai, is part of the Essar Group. EPCC is engaged in the supply of Engineering Procurement Construction (EPC) services, which includes undertaking and executing projects involving industrial plants, civil and infrastructure projects, laying onshore pipeline for oil, gas and water, and working in marine constructions.
5. Based on the information provided by the parties, it was observed that there is no horizontal overlaps between the activities of the AMIPL and EPCC. However, ArcelorMittal Design and Engineering Centre Private Limited (**AMDEC**), an entity belonging to the AM Group, is engaged in the provision of engineering, project management and inspection services related to mining, steel manufacturing, energy and environment. However, as per the notice, AMDEC's services are dedicated to AM Group companies only.
6. It was also stated in the notice that AMIPL and EPCC are currently not engaged in the provision of services that are at a different level in the production chain. However, it was observed that AMIPL has filed a resolution plan under the IBC (jointly with Nippon Steel & Sumitomo Metal Corporation) in respect of Essar Steel India Limited (**ESIL**) and in case of the acquisition of ESIL by AMIPL, the services of the EPCC could also be utilized by ESIL. In this regard, the Commission noted that this potential relationship may not cause any competition concerns, due to lack of ability and incentive to foreclose the market on the part of EPCC.



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7. 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 any appreciable adverse effect on competition in India.
8. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.
9. The information provided by the Acquirer shall be treated as confidential, at this stage, in terms of and subject to provisions of Section 57 of the Act.
10. The Secretary is directed to communicate to the Acquirer accordingly.