



## COMPETITION COMMISSION OF INDIA

(Combination Registration No. C-2014/02/152)

25.03.2014

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

- Axiall, LLC

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

1. On 14<sup>th</sup> February 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 given by Axiall, LLC (hereinafter referred to as “**Axiall**” or the “**Acquirer**”).
2. In terms of Regulation 14 and Regulation 19 of the Competition Commission of India (Procedure in regard to transaction of business relating to combinations) Regulations, 2011 (hereinafter referred to as the “**Combination Regulations**”), vide letter dated 26<sup>th</sup> February, 2014, the Acquirer was required to remove defects and furnish certain information/document(s) regarding the notice, by 10<sup>th</sup> March, 2014. After seeking extension of time, the Acquirer filed its response on 12<sup>th</sup> March, 2014.
3. As stated by the Acquirer, the notice has been filed pursuant to a Joint Venture Agreement entered into between Axiall, DCM Shriram Consolidated Ltd (**DSCL**) and Shriram Vinyl Polytech Private Limited (**SVPPL**) on 7<sup>th</sup> February, 2014 regarding subscription by Axiall of 50 per cent of the total issued share capital of SVPPL.
4. The proposed combination falls under Section 5(a) of the Act.
5. Axiall is a company organized under the laws of the State of Delaware, USA. Axiall is a wholly-owned subsidiary of Axiall Corporation, which is a holding



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company, also organized under the laws of the State of Delaware, USA. As per the information given in notice, Axiall is engaged, *inter-alia*, in the production of poly vinyl chloride (PVC) & PVC compounds. DSCL is a company incorporated under the provisions of the Companies Act, 1956. DSCL is a diversified company with business in agriculture, chemicals, plastics, cement, textiles and energy services. SVPPL is a wholly-owned subsidiary of DSCL. As per information given in the notice, DSCL transferred its PVC compounding business to SVPPL in the year 2013. As stated in the notice, SVPPL is currently engaged in the business of PVC compounding in India at its PVC plant in Kota, Rajasthan.

6. The proposed transaction relates to the PVC compounding business in India. PVC resin, which is the raw material for the manufacture of PVC compounds, needs to be mixed with certain special additives like stabilizers, polymer agents, pigments, plasticizers etc. to facilitate PVC processing and determining the properties of the end products. On the basis of the end use, the PVC compounds may be classified as flexible and rigid PVC compounds. The flexible PVC compounds have variety of applications, such as in medical equipments, wires and cables, consumer products, automotive sector etc. As stated in the notice, the rigid PVC compounds have applications in PVC pipes and fittings for plumbing and sewage drainage and can be used in the manufacture of various other products which are currently produced using other polymers.
7. As per the information given in the notice, Axiall does not sell PVC resin or flexible PVC compounds directly into India. SVPPL is currently involved in the production and sale of flexible PVC compounds and miniscule quantities of rigid PVC compounds, in India. Further, as regards the rigid PVC compounds, its sale by Axiall and SVPPL in India has been minimal. There are major players in the production of PVC in India and a portion of the demand of PVC and PVC compounds is also met through imports, in India.



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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 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.

(Ashok Chawla)  
Chairperson

(Anurag Goel)  
Member

(M. L. Tayal)  
Member

(S.L. Bunker)  
Member