



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2017/01/474)

6th March, 2017

Notice under Section 6 (2) of the Competition Act, 2002 jointly given by Trafigura Pte. Ltd. and Polycab Wires Pvt. 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

Legal Representative: Vinod Dhall-TT&A

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

1. On 18th January, 2017, the Competition Commission of India (hereinafter referred to as the “**Commission**”) received a notice jointly given by Trafigura Pte. Ltd.(“**Trafigura**”) and Polycab Wires Pvt. Ltd. (“**Polycab**”), pursuant to a Joint Venture Agreement (“**JVA**”) dated 22nd December, 2016, executed between them regarding formation of a greenfield joint venture i.e. Ryker Base Private Limited (“**JV Co.**”) for manufacture of copper rods. (Trafigura, Polycab and JV Co hereinafter collectively referred to as “**Parties**”).
2. The proposed combination has been filed under sub-section 2 of Section 6 read with sub-section (a) of Section 5 the Competition Act (“**Act**”).



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3. The Commission sought certain information relating to market size and market share from the Parties on 01st February, 2017; response to the same was provided on 6th February, 2017.
4. Tragifura, incorporated in Singapore, is a wholly owned subsidiary of Trafigura Group Pte. Ltd. (“**Trafigura Group**”). Through its subsidiaries and associates, it is *inter-alia*, engaged in trading of crude oil, naphtha, liquid natural gas and metals in India.
5. Polycab, a private limited company incorporated in India, is *inter-alia*, engaged in manufacture of cables and wires.
6. JV Co., a private limited company incorporated in India in 2016, and presently is a wholly owned subsidiary of Polycab. Post the proposed combination, Trafigura shall hold 50% stakes in J.V. Co., and it will be jointly controlled by Trafigura and Polycab. It is stated that JV Co. will be engaged in the business of manufacture, sale and distribution of copper rods.
7. It is observed that the proposed combination is in the nature of creation of a greenfield joint venture. It is noted that Trafigura will supply copper cathode to the JV Co. for production of copper rods, which would then be supplied to Polycab for manufacture of copper wires. Further, surplus quantity of copper rods, if any, remaining with JV Co., after meeting the requirement of Polycab, will be sold back to Trafigura.
8. The Commission noted that there is no existing horizontal overlap between activities of the Parties to the proposed combination.
9. It is noted that currently, Trafigura is one of the supplier of copper rods to Polycab and post the proposed combination, JV Co will supply copper rods to Polycab. In the above mentioned vertical relationship, it is observed that Trafigura’s market share in the supply of copper rods and Polycab’s share in total procurement of copper rods is insignificant to raise any competition concern.
10. Considering the facts on record, details provided in the notice given under sub-section copper rods (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



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effect on competition in India and therefore, the Commission, hereby, approves the same under sub-section (1) of Section 31 of the Act.

11. This order shall stand revoked if, at any time, the information provided by the Parties is found to be incorrect.
12. The information provided by the parties shall be treated as confidential in terms of and subject to provisions of Section 57 of the Act.
13. The Secretary is directed to communicate to the parties accordingly.