

COMPETITION COMMISSION OF INDIA

2nd April, 2013

Combination Registration No. C-2013/02/109

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

1. On 4th February, 2013, 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 (hereinafter referred to as the “**Act**”), given by Titan International, Inc. (hereinafter either referred to as “**Titan International**” or “**Acquirer**”) and Titan Europe PLC (hereinafter referred to as “**Titan Europe**”) (hereinafter Titan International and Titan Europe are collectively referred to as the “**parties to the combination**”).
2. The combination involves the acquisition of the entire share capital of Titan Europe by Titan International, as a consequence of which Titan International has indirectly acquired 35.91 per cent equity share capital of Wheels India Limited (hereinafter referred to as “**Wheels India**”) from Titan Europe. As stated in the notice, on 10th August, 2012, the parties to the combination announced that they had reached an agreement on the terms of a recommended share offer for the acquisition of the entire share capital of Titan Europe.
3. It is observed that the notice for the said acquisition of shares of Titan Europe by Titan International, which ought to have been given to the Commission, prior to the acquisition of shares of Titan Europe, within the period prescribed under sub-section (2) of Section 6 of the Act, was given to the Commission by the parties to the combination after the combination had already taken effect. As the notice was given to the Commission beyond the time period prescribed in sub-section (2) of Section 6 of the Act, the parties to the combination also filed an application for condonation of delay in giving the notice. The Commission considered the said application for condonation of delay submitted by the parties to the combination in its meeting held on 20th February, 2013 and admitted the said belated notice in terms of Regulation 7 of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011. However, the Commission takes a serious note of the fact that in the instant case, the notice was not only given belatedly but also after the combination had already taken effect, which is in contravention of the relevant provisions of the Act. The Commission, would, therefore, like to strongly emphasise that any person or enterprise, who or which proposes to enter into a combination, has to mandatorily give a notice to the Commission under the provisions of sub-section (2) of Section 6 of the Act, prior to entering into a combination. In its meeting held on 20th February, 2013, the Commission has, therefore, decided to initiate separate proceedings for imposition of penalty for failure on the part of the Acquirer to give notice to the Commission in accordance with the provisions of sub-section (2) of Section 6 of the Act.
4. Titan International, a company based in the U.S.A., is stated to be engaged in designing, testing and manufacturing of wheels and tyres, and combining these wheels and tyres into assemblies for use in the agricultural, earthmoving/construction and

consumer markets. It has been stated by the parties to the combination that Titan International has no revenue accruing from any business in India. Titan Europe, a U.K. based company, is stated to be engaged in designing, developing, manufacturing and supplying tracked and wheeled movement systems for mining, construction and agricultural vehicles. Wheels India, a listed company, incorporated under the Companies Act, 1956, is stated to be promoted by the TVS Group and Titan Europe. It is engaged in the manufacture of steel wheels for passenger cars, utility vehicles, trucks, buses, agricultural tractors and construction equipment.

5. As already stated, as a result of the acquisition of the entire share capital of Titan Europe by Titan International, 35.91 per cent stake held by Titan Europe in Wheels India is now indirectly held by Titan International; whereas, the Indian promoters i.e. TVS Group, still hold 49.71 per cent stake in Wheels India. It is observed that, in India, there is no horizontal overlap in the business activities of Titan International and Wheels India, as Titan International has no significant presence in India except its indirect stake in Wheels India. It is also observed that post combination, there is no change in the number of players in the market for steel wheels in India. In view of the foregoing, the combination does not give rise to any adverse competition effect in India.
6. Considering the facts on record and the details provided by the parties to the combination and the assessment of the combination, the Commission is of the opinion that the combination does not have an appreciable adverse effect on competition in India and therefore, the Commission hereby approves the combination under sub-section (1) of Section 31 of the Act.
7. This approval is without prejudice to any other legal/statutory obligations as applicable.
8. This order shall stand revoked if, at any time, the information provided by the parties to the combination is found to be incorrect.
9. The Secretary is directed to communicate to the Acquirer accordingly.