

COMPETITION COMMISSION OF INDIA

19th March, 2013

Combination Registration No.: C-2013/02/110

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

1. On 22nd 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 Denso Corporation (hereinafter referred to as “**Denso**” or the “**Acquirer**”).
2. The said notice has been filed pursuant to the execution of a Joint Venture Agreement on 14th February, 2013 between Denso and Pricol Limited (hereinafter referred to as “**Pricol**”). As per the information given in the notice, the proposed combination involves transfer by Pricol, of its ‘DENSO Technology Instrument Cluster Undertaking’, relating to the four wheeler personal passenger vehicles, situated at Coimbatore and Gurgaon (hereinafter referred to as the “**IC Business**”), to Pricol Components Limited, presently a wholly owned subsidiary of Pricol (hereinafter referred to as “**PCL**”) and upon such transfer, acquisition of 51 per cent of the equity share capital of PCL by Denso.
3. In terms of sub- regulation (4) of Regulation 5 and sub-regulation (2) of Regulation 19 of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 (hereinafter referred to as “**Combination Regulations**”), on 27th February, 2013, the Acquirer was required to furnish additional information/ document(s) which was filed on 6th March, 2013.
4. The proposed combination falls under Section 5(a) of the Act.
5. Pricol, a listed public limited company incorporated under the provisions of the Companies Act, 1956, is stated to be engaged, *inter-alia*, in the business of manufacturing and sale of instrument clusters, speedo cables, accessories & sub-assembly

components, vehicle security system and other auto components to various automobile manufacturers.

6. Denso is stated to be a company incorporated under the laws of Japan. As per the information given in the notice, Denso has worldwide operations and is engaged in the process of manufacturing automotive technology, systems and components for automakers. Denso, through its subsidiaries and other affiliates, provides various products and auto components like starter, alternator, fuel pump, injector, radiator, AC system, gasoline & diesel engine management system etc. and related services in India.
7. PCL is a wholly-owned subsidiary of Pricol, incorporated under the provisions of the Companies Act, 1956 in August 2012. As per the information given in the notice, PCL would engage in the business of manufacturing instrument clusters for four wheel personal passenger vehicles, two wheel vehicles and commercial vehicles (excluding off road vehicles).
8. As per the information given in the notice, it is observed that Denso and Pricol would be jointly controlling the affairs and management of PCL. It is also observed that there is no horizontal overlap between the products of Denso and Pricol as neither Denso nor any of its affiliates in India are engaged in the business of manufacturing/supply of instrument clusters for four wheeler personal passenger vehicles, two wheeler vehicles and commercial vehicles. Further, Denso supplies certain components for instrument clusters to Pricol, as per their specification; however, these components are not supplied by Denso to any other manufacturer in India and the value of such supplies during the previous financial year was insignificant. In view of the foregoing, it is observed that the proposed combination is not likely to have any adverse competition concern in India.
9. Considering the facts on record and the details provided in the notice given under sub-section (2) of Section 6 of the Act and the assessment of the proposed combination after duly considering the relevant factors mentioned 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 an appreciable adverse effect on competition in India and therefore, the Commission hereby approves the proposed combination under sub-section (1) of the Section 31 of the Act.

10. This approval is without prejudice to any other legal/statutory obligations as applicable.
11. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.
12. The Secretary is directed to communicate to the Acquirer accordingly.