



**COMPETITION COMMISSION OF INDIA**  
(Combination Registration No. C-2015/09/307)

30.12.2015

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

- **Konecranes Plc.**
- **Terex Corporation**

**Order under sub-section (1) of Section 31 of the Competition Act, 2002 (“Act”)**

**CORAM:**

Mr. Sudhir Mital  
Member

Mr. U. C. Nahta  
Member

Mr. M.S. Sahoo  
Member

Mr. G. P. Mittal  
Member

**Legal representatives:**

- i) Shardul Amarchand Mangaldas & Co.; and
- ii) ARA Law, Advocates & Solicitors

1. On 09.09.2015, the Competition Commission of India (“**Commission**”) received a notice jointly filed by Konecranes Plc. (“**Konecranes**”) and Terex Corporation (“**Terex**”) under Section 6(2) of the Competition Act, 2002 (‘**Act**’) pursuant to execution of a Business Combination Agreement and Plan of Merger between and amongst Konecranes, Konecranes, Inc., Konecranes Acquisition Co. LLC. (“**Konecranes Merger Sub**”) and Terex Corporation (“**Terex**”) on 10.08.2015 (“**Agreement**”).



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2. Pursuant to the Agreement, Konecranes Merger Sub, a newly formed Delaware limited liability company and wholly owned subsidiary of Konecranes, Inc., a Texas based corporation and an indirect wholly owned subsidiary of Konecranes, will merge with and into Terex. The separate corporate existence of the Konecranes Merger Sub shall, thereupon, cease and Terex shall be the surviving corporation and will become an indirect wholly-owned subsidiary of Konecranes. Konecranes will be re-named as Konecranes Terex Plc. (“**Proposed Combination**”). Post-combination based on current fully diluted shares outstanding, Terex shareholders will own approximately 60 per cent and Konecranes shareholders will own remaining shares of Konecranes Terex Plc.
3. The Proposed Combination falls under Section 5(c) of the Act.
4. At the time of receiving of the notice on 09.09.2015 it was observed that the details given by the parties in the notice were incomplete in certain respects. Accordingly, an undertaking was given by the authorised representatives of the Parties to submit the required information by 18.09.2015. Parties submitted the said information on 09.10.2015 after seeking an extension of time. As information submitted by the Parties was still incomplete 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 05.11.2015, the Parties were required to remove certain defects and provide information/document(s) by 12.11.2015. The Parties submitted the partial response on 30.11.2015 and remaining on 14.12.2015 after seeking extension of time.
5. Konecranes, a Finnish public limited company is a global group engaged in the business of lifting material, serving a broad range of customers, including manufacturing and process industries, shipyards, ports and terminals. Konecranes’ global business is organized into two business units: Equipment and Service. The Equipment business unit offers components, cranes, and other material handling solutions. The Service business unit offers specialized maintenance and modernization services for industrial cranes, port cranes, lift trucks and machine tools through a global service network. It services both its own products and third party equipment. Konecranes, Inc. is a Texas based corporation and is an indirect wholly owned subsidiary of Konecranes. It is submitted by the Parties that Konecranes, Inc. does not engage in regular business activities in India.
6. Terex is a publicly traded company listed on the New York Stock Exchange. It is a global diversified lifting and material handling solutions company, that



manufactures and services a broad range of equipment used in various industries, including the construction, infrastructure, quarrying, manufacturing, mining, steel, shipping, transportation, refining, energy and utility industries etc.

7. Based on the information provided by the Parties it is observed that Parties are engaged in the overlapping activities in the broader segment of Material Handling and Port Solutions (“MH&PS”). Material handling and port equipment products are used for lifting and handling material at manufacturing, processing, port and rail establishments etc. End-customers for material handling equipment include companies from diverse manufacturing and process industries, power plants, aerospace and petro-chemicals industries etc. End-customers for port equipment include port and terminal operators.
8. As per the information provided in the notice, the overlaps between the business activities of the Parties broader segment of MH&PS can be further segmented as:
  - (i) Industrial Cranes (standard and process cranes);
  - (ii) Hoists (a crane component);
  - (iii) Services for material handling equipment.
  - (iv) Supply of reach stackers and
  - (v) Port equipment maintenance services.

The first three overlapping business activities belong to the material handling segment and remaining two belong to the port solutions segment. However, the exact delineation of the relevant market in this regard is left open as it is observed that the Proposed Combination is not likely to raise competition concerns in any of the alternative relevant product markets, in India.

9. As submitted by the Parties, the MH&PS market is fragmented with many players having the national presence and many global players are also active in this sector in India. It is observed by the Commission that the combined market share of the Parties is not significant enough to raise any competition concern in the MH&PS market or any of the overlapping segment/sub-segment in India. Further, there are other significant players each of the overlapping segment/sub-segment in India. In the industrial cranes and services for material handling equipment sub-segments Anupam, Mukund, Unique, Sparkline and ElectroMech etc. are significant competitors of the Parties. Further, in the sub-segment of hoists Hercules, Hafa and CHPL-Swift are the significant competitors. In the reach stackers sub-segment Hyster and Kalmar are the two largest players who are also active in the sub-segment of port equipment maintenance services.



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10. Further, as stated in the notice, there is also no vertical relationship between the Parties in India. In view of the foregoing, the Proposed Combination is not likely to give rise to any competition concern in India.
11. 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 combination after considering the relevant factors mentioned in sub-section (4) of Section 20 of the Act, the Commission is of the opinion that the combination is not likely to have any 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.
12. This order shall stand revoked if, at any time, the information provided by the Parties is found to be incorrect.
13. The Secretary is directed to communicate to the Parties accordingly.