



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2015/11/342)

30.12.2015

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

- **GS Yuasa International Limited**

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

CORAM:

Mr. Ashok Chawla
Chairperson

Mr. Sudhir Mital
Member

Mr. U. C. Nahta
Member

Mr. M.S. Sahoo
Member

Mr. G. P. Mittal
Member

Legal representative: Khaitan and Co. LLP

1. On 30.11.2015, the Competition Commission of India (“**Commission**”) received a notice given by GS Yuasa International Limited (“**GSY**” or “**Acquirer**”) under Section 6(2) of the Competition Act, 2002 (“**Act**”).
2. GSY and Panasonic Corporation, Japan (“**Panasonic**”) (hereinafter together referred to as, the “**Parties**”) have entered into a basic agreement on 29.10.2015 (“**Basic Agreement**”) for GSY’s acquisition of the lead acid storage battery business of Panasonic which, *inter alia*, involves acquisition of 60 per cent shares



of Panasonic Minda Storage Batteries India Private Limited (“PMSBIN”) in India. (the “**Proposed Combination**”).

3. GSY is a subsidiary of GS Yuasa Corporation, Japan. The GS Yuasa group produces and markets electrical equipment including batteries, power supply systems, lighting equipment and specialized equipment. GSY has presence in India through a joint venture entity, TATA Auto Comp GY Batteries Private Limited (“**Tata GY**”). Tata GY, *inter alia*, designs, develops, manufactures, sells and distributes lead acid storage batteries for automobiles in India. GSY also has minor direct sales of lead acid storage batteries in India.
4. Panasonic is a publicly held corporation headquartered in Japan. In India, Panasonic is involved *inter alia* in the business of selling lead acid storage batteries in the automobile and industrial segments.
5. Panasonic Minda Storage Batteries India Private Limited (“PMSBIN”) is presently a wholly owned subsidiary of Panasonic. It has been submitted that PMSBIN is at present, not engaged in any business. It is noted that Panasonic and Minda Industries Ltd. (“**Minda**”) entered into a joint venture agreement pursuant to which PMSBIN was created as a prospective joint venture between the two. As per the joint venture agreement, Minda is required to transfer its battery division (pertaining to two wheeler lead acid storage batteries) to PMSBIN. In consideration for the same, Minda will acquire 40 per cent equity stake in PMSBIN while remaining 60 per cent stake shall be with Panasonic¹. GSY proposes to acquire the above said 60 per cent stake as part of the Proposed Combination.
6. Lead acid storage batteries are electrochemical storage batteries that are used in automobile and industrial applications. As regards the lead acid storage batteries for automotive applications, they can be classified into two segments: two wheelers and four wheelers (passenger cars / light commercial vehicles and others which include heavy commercial vehicles, tractors etc.). The automotive segment can also be further sub-segmented into sales to original equipment manufacturers and after-market sales. As regards the lead acid storage batteries for industrial application, they can be further classified in the segment of UPS, inverter, Telecom, Railway and Power etc.

¹A notice bearing Comb.Reg. No. C-2014/09/213 was filed by Panasonic and was approved by CCI on 05.11.2014.



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7. As per the information provided in the notice and other documents on record, it is observed that GSY and Panasonic do not have presence in the same segment of lead acid storage batteries market. However, upon transfer of battery division pertaining to two wheeler lead acid storage batteries by Minda to PMSBIN, GSY and PMSBIN will both be engaged in the two wheeler battery segment. It is noted that they have limited market share in the said segment and there are other significantly large players present in the market. Further, as stated in the notice, there is also no vertical relationship between Panasonic and GSY, in India.
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 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.
9. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.
10. The Secretary is directed to communicate to the Acquirer accordingly.