



**COMPETITION COMMISSION OF INDIA**  
(Combination Registration No. C-2016/04/390)

25<sup>th</sup> May 2016

**Notice under Section 6 (2) of the Competition Act, 2002 given by the Yokohama Rubber Co. Ltd.**

**CORAM:**

Devender Kumar Sikri  
Chairperson

Augustine Peter  
Member

U.C. Nahta  
Member

M.S. Sahoo  
Member

G.P. Mittal  
Member

**Legal Representative:** M/s Cyril Amarchand Mangaldas

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

1. On 22<sup>nd</sup> April 2016, the Competition Commission of India (“**Commission**”) received a notice given by the Yokohama Rubber Co. Ltd. (“**YRC**” / “**Acquirer**”) under sub-section (2) of Section 6 of the Competition Act, 2002 (“**Act**”). The notice was filed pursuant to the execution of a Stock Purchase Agreement dated 25<sup>th</sup> March 2016 entered into between, *inter alios*, YRC and Alliance Tyre Group B.V. (“**ATG**”).
2. The proposed combination relates to the acquisition of the entire shareholding of ATG by the Acquirer from KKR AT Dutch B.V., International Finance Corporation and certain other



shareholders. As a result of the proposed combination, ATG will become a wholly-owned subsidiary of YRC.

3. YRC is a company incorporated in Japan and belongs to the Yokohama Rubber Company Limited group. YRC is stated to be a global manufacturer of tyres and other products with presence in over 150 countries. It has been stated in the notice that apart from tyres, YRC is engaged in manufacturing of industrial rubber products such as high-pressure hoses, sealants, adhesives, aircraft fixtures & components and golf equipment. YRC is present in India through a wholly-owned subsidiary, Yokohama India Private Limited (“**YIPL**”), a company incorporated under Companies Act, 1956. YIPL manufactures and sells passenger car tyres and tyres for special utility vehicles and also sells tyres for trucks and buses as well as off highway tyres (“**OHT**”)<sup>1</sup>. As per notice, OHT are imported by YIPL from YRC for sale in India.
4. ATG is a company incorporated in Netherlands and is engaged in manufacture and sale of OHT with presence in over 120 countries. ATG is stated to be engaged in the development, manufacture and sale of OHT. ATG is present in India through its subsidiary, namely, ATC Tyres Pvt. Ltd. (“**ATC**”). ATC develops, manufactures and sells OHT. ATG has two manufacturing facilities in India situated at Tirunelveli, Tamil Nadu and Dahej, Gujarat. As stated in the notice, ATG sells only OHT in India through ATC.
5. The Commission observed that there is a horizontal overlap between the YRC and ATG in the overall tyre market in India and in a narrower segment of tyres i.e., OHTs. As stated in the notice, the sales of YRC in the OHT segment in India in the year 2014-15 were negligible. Thus, YRC’s presence in India was insignificant in terms of market share in the segment for OHT. Further, the Commission observed that even ATG has negligible presence in India. Furthermore, it is observed that the OHT segment in the tyre industry is characterised by the presence of large competitors such as Balkrishna Industries Ltd. (5-15% market share), MRF Limited (25-30% market share), Goodyear Tyre Limited (10-20% market share) and Ceat Limited (7-17% market share). As stated in the notice, there is no vertical relationship between the YRC and ATG in India.

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<sup>1</sup> OHT are used in agricultural, forestry and industrial equipment.



6. Considering the facts on record and the details provided in the notice given under sub-section (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 the proposed combination is not likely to have an appreciable adverse effect on competition in India and therefore, the Commission hereby approves the same under sub-section (1) of section 31 of the Act.
7. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.
8. The Secretary is directed to communicate to the Acquirer accordingly.