



**COMPETITION COMMISSION OF INDIA**  
(Combination Registration No. C-2016/10/447)

**20<sup>th</sup> December 2016**

**Notice under Section 6 (2) of the Competition Act, 2002 jointly given by Mitsui & Co. Ltd. and GESTAMP 2020, S.L.**

**CORAM:**

Mr. Devender Kumar Sikri  
Chairperson

Mr. S.L. Bunker  
Member

Mr. U.C. Nahta  
Member

Mr. G.P. Mittal  
Member

**Legal Representative:** Shardul Amarchand Mangaldas & Co.

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

1. On 17<sup>th</sup> October, 2016, the Competition Commission of India (hereinafter referred to as the “**Commission**”) received a notice jointly given by Mitsui & Co. Ltd. (“**Mitsui**”) and GESTAMP 2020, S.L (“**GA Holdco**”). The notice was filed pursuant to the Investment Agreement dated 20<sup>th</sup> September, 2016, entered into between ACEK Desarrollo y Gestión Industrial, S.L. (“**Acek**”), Mitsui, RISTEEL Corporation, B.V. (“**Risteel**”)<sup>1</sup> and GA Holdco.
2. The proposed combination relates to acquisition of 25 percent stake in GA Holdco by Mitsui and subsequent acquisition of 50.1 percent stake of GA by GA Holdco (resulting in indirect acquisition of 12.525 percent stake in GA of Mitsui) (Hereinafter, Mitsui, GA Holdco and GA are collectively referred to as “**Parties**”).

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<sup>1</sup> A subsidiary of Acek.



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3. The proposed combination has been filed under Section 6(2) read with Section 5(a) of the Competition Act, 2002 (“Act”).
4. Mitsui, a listed company in Japan, is engaged in commodity trading on a worldwide basis and other businesses including sale, distribution, purchase, marketing and supply of products such as iron and steel, non-ferrous metals, machinery, electronics, chemicals, energy-related commodities, logistics, and investment in infrastructure projects.
5. Acek, a company incorporated in Spain, is *inter-alia*, engaged in activities pertaining to steel services, automotive components and renewable energy businesses, through its subsidiaries.
6. GA Holdco, a wholly owned subsidiary of Acek and a company incorporated in Spain, is not engaged in any business activities, at present.
7. GA, a wholly owned subsidiary of Acek and a company incorporated in Spain, is *inter-alia*, engaged in designing, manufacturing and selling of automotive components and assemblies, including body in white and chassis on worldwide basis, including India.
8. As stated in the notice, there is no horizontal overlap between the activities of the Parties. With regard to vertical relationships, it has been submitted that there is no vertical relationship between the Parties. However, in this regard, it is observed that Mitsui holds 24.5 percent and 20 percent stake in Mahindra Auto Steel Private Limited (“MASPL”) and Indian Steel Corporation Limited (“ISCL”) respectively.
9. MASPL, a private limited company incorporated in India, is a joint venture between Mahindra Intertrade Limited, China Steel Global Trading Corporation and Mitsui & Co. (Asia Pacific) Pte. Ltd, a subsidiary of Mitsui. MASPL manufactures and sells flat steel sheets which may be used as an input by GA for the production of flat steel component for coachwork and chassis of automotive vehicles and performs various activities as a steel service centre. ISCL is engaged in production of large steel sheets coils which are inputs for steel service centre and have to be processed into flat sheet or small (narrow) coil before these are used by automotive component manufacturers such



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as GA. Further, it has been stated by the Parties that, currently, there is no supply arrangement between GA, MASPL and ISCL.

10. It is observed that the products of MASPL *i.e.* flat steel sheets, could be used as an input by GA for the production of flat steel component for coachwork and chassis of automotive vehicles. Further, large steel sheet coils produced by ISCL could be used as inputs by steel service centre before use by automotive component manufacturers (“**Upstream Products**”). Therefore, products of MASPL and ISCL appear to be upstream in supply chain of the products manufactured and sold by GA. In the absence of any horizontal overlap and no competition concerns in potential vertical relationships, the exact definition of relevant market in the present case is being left open.
11. It is observed that the market shares of MASPL and ISCL in the Upstream Products are insignificant and there are a number of other players such as Tata Steel Processing & Distribution Ltd, Posco India, Poshs Metal Industries Pvt Ltd and JFE Shoji Steel India Private Limited, who are the major competitors of MASPL and ISCL.
12. Considering facts on record, 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 proposed combination is not likely to have an appreciable adverse effect on competition in India and therefore, the Commission, approved the same under sub-section (1) of Section 31 of the Act.
13. This order shall stand revoked if, at any time, the information provided by the Parties is found to be incorrect.
14. The information provided by the parties shall be treated as confidential in terms of and subject to provisions of Section 57 of the Act.



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15. The Secretary is directed to communicate to the parties accordingly