



Fair Competition  
For Greater Good

**COMPETITION COMMISSION OF INDIA**  
(Combination Registration No.C-2016/09/437)

13<sup>th</sup> December, 2016

**Notice under Section 6(2) of the Competition Act, 2002 filed by  
TDK Corporation and Toshiba Corporation**

**CORAM:**

**Mr. Devender Kumar Sikri**  
Chairperson

**Mr. S. L. Bunker**  
Member

**Sudhir Mital**  
Member

**Mr. Augustine Peter**  
Member

**Mr. U. C. Nahta**  
Member

**Mr. G. P. Mittal**  
Member

**Legal Representative of the Parties:** Shardul Amarchand Mangaldas, New Delhi

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

1. On 30<sup>th</sup> September 2016, the Competition Commission of India (“**Commission**”) received a notice jointly given by TDK Corporation (“**TDK**”) and Toshiba Corporation (“**Toshiba**”), under sub-section (2) of section 6 of the Competition Act, 2002 (“**Act**”). (hereinafter TDK and Toshiba are collectively referred to as “**Parties**”).
2. The proposed combination envisages setting up of joint venture between TDK and Toshiba wherein TDK proposes to incorporate a new entity TDK Automotive Technologies Corporation (“**TDK Auto**”), in which Toshiba would acquire 25% shares and the



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remaining 75% shares would be held by TDK. Subsequently, as stated in the notice, Toshiba (or its group company (s)) would assign its contracts to TDK Auto, which would engage in the development, manufacture and sales of automotive inverters for hybrid vehicles (“**HV**”), plug-in hybrid vehicles (“**PHV**”) and electric vehicles (“**EV**”).

3. As stated in the notice, TDK is a Japanese multinational electronics company which develops, manufactures and sells electronic components including energy devices (rechargeable batteries), capacitors, magnets and power supplies. These are used as automobile components and in a wide range of electronic devices such as smartphones, tablets and industrial equipment. In India, TDK sells a range of electronic/electric equipments such as capacitors, inductors (coils), EMC components, RF/saw components and modules, voltage/ current/ temperature protection devices, sensor and sensor systems etc. TDK is present in India through its wholly owned subsidiary EPCOS India Private Limited which is engaged in manufacturing of film capacitors and sells electronic components. As stated in the notice, TDK does not sell/manufacture automotive inverters in India.
  
4. Toshiba, a Japanese multinational conglomerate corporation headquartered in Tokyo, Japan, is engaged in manufacture of advanced electronic and electrical product & systems. Toshiba is present in India through its subsidiaries namely: (a) Toshiba India Pvt. Ltd.; (b) TPSC (India) Pvt. Ltd.; (c) Toshiba JSW Power Systems Pvt. Ltd.; (d) Toshiba Johnson Elevators (India) Private Limited; (e) Toshiba Software (India) Private Limited; (f) Toshiba Transmission & Distribution Systems (India) Private Limited; (g) Toshiba Logistics India Private Limited; (h) UEM India Private Limited; (i) UEM Infrastructure Private Limited; (j) Westinghouse Electric India Private Limited; and (K) Landis + Gyr Limited. As stated, in India, Toshiba is engaged in the business of, *inter alia*, railway systems, elevators, electronic devices and personal computers. It has been stated in the notice that Toshiba manufactures and sells automotive inverters. However, automotive inverters are not sold by Toshiba in India.



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5. The Commission observed that the proposed combination pertains to manufacture and sale of automotive inverters. It has been stated in the notice that from the year 2020 onwards, many countries propose to impose more stringent regulation of automobile exhaust emissions in an effort to prevent/reduce air pollution and global warming. This trend is expected to greatly affect the global automobile market, contributing to an increase in demand for HV and PHV in the global market and greatly increased use of EV, fuel cell, and other eco-friendly vehicles. It is observed that Indian market is at a nascent stage in relation to EV and HV and approximately 1000 EV cars may have been sold in India so far. However, the said market is expected to grow in the coming years.
6. The Commission observed that neither TDK nor Toshiba is involved in the manufacture and sale of automotive inverters in India and accordingly there is no horizontal overlap between the Parties.
7. The Commission also observed that there is no vertical relationship between the Parties in India. It has been stated in the notice that TDK, at a worldwide level, produces some components that are used in the production of Toshiba's automotive inverters. However, as stated in the notice, sale of these products of Toshiba is miniscule. Further, it is noted that TDK has also supplied certain products to Toshiba. However, the said products are not used for manufacture of automotive inverters.
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 assessment 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 appreciable adverse effect on competition in India and therefore, the Commission, approved the same under sub-section (1) of Section 31 of the Act.



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9. This order shall stand revoked if, at any time, the information provided by the Parties is found to be incorrect.
10. The Information provided by the Parties is confidential at this stage in terms of and subject to provisions of Section 57 of the Act.
11. The Secretary is directed to communicate to the Parties accordingly.