



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2018/12/619)

19th December, 2018

Notice under Section 6 (2) of the Competition Act, 2002 given by Integral Corporation

CORAM:

Mr. Ashok Kumar Gupta
Chairperson

Mr. Augustine Peter
Member

Mr. U.C. Nahta
Member

Legal Representative of the Parties: Talwar Thakore & Associates

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

1. On 03rd December, 2018, the Competition Commission of India (**Commission**) received a notice filed under sub-section (2) of Section 6 of the Competition Act, 2002 (**Act**) by Integral Corporation (**Integral/Acquirer**) pursuant to the execution of Share Subscription Agreement (**SSA**) dated 28th November, 2018.
2. Acquirer is a Japanese private equity firm, based in Tokyo, which is engaged in making long-term equity investments. Through its investments, Acquirer provides support to investee companies in terms of management and finance. Acquirer is present in India only through its stake of 29.2% shares of Ohizumi Mfg. Co. Ltd. (**Ohizumi**), a Japanese corporation engaged in the manufacture and sale of electronic parts and electric equipment/devices such as thermistors i.e., resistors whose resistance is dependent on temperature, and which are primarily used for measurement and control of temperature.



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3. Toyo Engineering Corporation (**Toyo/Target**) is a Japanese engineering, procurement and construction (**EPC**) company listed on Tokyo Stock Exchange. It is primarily engaged in the provision of EPC services and R&D support, design, engineering, procurement, construction, commissioning and technical assistance for industrial facilities. It provides EPC services in various sectors such as Oil & Gas Development, Petrochemicals, Chemicals and Biotechnology. Toyo has a subsidiary in India namely Toyo Engineering India Private Limited (**Toyo India**), which is also engaged in the provision of EPC services in India.
4. The Proposed Combination envisages acquisition of optionally convertible preferential stock without voting rights of Target by Acquirer. Upon conversion, these preference shares would amount to 34.65% of common shares on a fully diluted basis with voting rights of Target. Further, the Acquirer will obtain a right to appoint two nominee outside Directors in the Target.
5. Based on the information provided by the parties, it is observed that there is no horizontal overlap or vertical relationship between the businesses of the parties to the proposed combination.
6. Considering the 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 any 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 information provided by the Acquirer shall be treated as confidential, at this stage, in terms of and subject to provisions of Section 57 of the Act.



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9. The Secretary is directed to communicate to the Acquirer accordingly.