



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2019/07/675)

6th September, 2019

Notice under Section 6(2) of the Competition Act, 2002 filed by Mitsubishi Corporation

CORAM:

Mr. Ashok Kumar Gupta
Chairperson

Ms. Sangeeta Verma
Member

Mr. Bhagwant Singh Bishnoi
Member

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

1. On 26^h July, 2019, the Competition Commission of India (**Commission**) received a notice (**Notice**) under Section 6(2) of the Competition Act, 2002 (**Act**), filed by Mitsubishi Corporation (**Mitsubishi**). The Notice has been given pursuant to the Share Subscription Agreement and Share Purchase Agreement, both executed on 21st June 2019 between Mitsubishi, TVS Automobile Solutions Private Limited (**TASL**) and certain existing shareholders of TASL. Mitsubishi and TASL are hereinafter collectively referred to as **Parties**.
2. The Commission *vide* letter dated 7th August, 2019, issued under Regulation 14(3) of the Competition Commission of India (Procedure in regard to transaction of business relating to combinations) Regulations, 2011, directed the Mitsubishi to remove defects in the Notice and furnish certain information. Mitsubishi filed its reply on 19th August, 2019 followed by 28th August, 2019.
3. The Proposed Combination comprises of acquisition of shares of TASL by Mitsubishi by way of subscription as well as purchase from some of the existing shareholders.



Mitsubishi currently has 3.26% shareholding in TASL. Post the Proposed Combination, the shareholding of Mitsubishi in TASL will increase to approximately 25%.

4. Mitsubishi is stated to be a global business enterprise that operates in different industries including automotive & mobility, natural gas, industrial materials, petroleum & chemicals, mineral resources, industrial infrastructure, food industry, consumer industry, power solution, and urban development.
5. TASL is engaged in the business of distribution and sale of automobile spare parts, multi brand vehicle service, trading and distribution of automobile accessories, 24x7 emergency roadside assistance (**RSA**) service, non-life/general insurance intermediary services, sale of tyre repair product supplies, *etc.*
6. It is observed that Mitsubishi and TASL are not engaged in the production/provision of similar or identical or substitutable products or services, either directly or indirectly in India.
7. Mitsubishi has equity stake in Isuzu Motors India (**IMI**) that is engaged in supply of vehicles. IMI avails RSA service from TASL for the Isuzu brand vehicles. However, the number of IMI vehicles enrolled and attended by TASL for RSA service is insignificant *vis-à-vis* the total number of vehicles enrolled with and attended by TASL. Further, the market presence of IMI in supply of passenger vehicles in India is not significant. Thus, the Proposed Combination is not likely to incentivise the parties to engage in any conduct that is likely to raise any competition concern.
8. Considering the facts on record, details provided in the Notice and the assessment of the Proposed Combination on the basis of factors stated in Section 20(4) of the Act, the Commission is of the opinion that the Proposed Combination is not likely to have any appreciable adverse effect on competition in India. Therefore, the Commission approves the Proposed Combination under Section 31(1) of the Act.



9. The Commission however notes that business scope of non-compete covenants, as envisaged in transaction documents/agreements, is not ancillary to the Proposed Combination.
10. This order shall stand revoked if, at any time, information provided by Parties is found to be incorrect.
11. The information provided by Parties is confidential at this stage, in terms of and subject to the provisions of Section 57 of the Act.
12. The Secretary is directed to communicate to the Parties, accordingly.