



05.06.2015

**Notice u/s 6 (2) of the Competition Act, 2002 ('Act') given by:**

- **Hyundai Hysco Co. Ltd.**
- **Hyundai Steel Company**

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

1. On 8<sup>th</sup> May 2015, the Competition Commission of India (“**Commission**”) received a notice under sub-section (2) of Section 6 of the Act given by Hyundai Hysco Co. Ltd. (“**Hyundai Hysco**”) and Hyundai Steel Company (“**Hyundai Steel**”), pursuant to a merger agreement (“**Agreement**”) entered into between them on 8<sup>th</sup> April 2015. Both Hyundai Hysco and Hyundai Steel are together referred to as “**Parties**”.
2. The Proposed combination relates to the merger of Hyundai Hysco into Hyundai Steel as a result of which Hyundai Hysco would cease to exist and Hyundai Steel will be the surviving company. It has been stated by the parties that both Hyundai Hysco and Hyundai Steel belong to the Hyundai Motor Group, South Korea.
3. The Proposed Combination falls under Section 5 (c) of the Act.
4. Hyundai Hysco, a company incorporated and listed in South Korea, is *inter-alia* engaged in the business of manufacture and sale of flat steel products, steel pipes, lightweight automotive parts and fuel cell systems. It is stated to be present in India through its two subsidiaries, i.e. Hysco Steel India Private Limited (“**HSIPL**”) and Automotive Steel Pipe India Private Limited (“**ASPI**”)
5. HSIPL, a company incorporated in India, is engaged in the business of supply/distribution of processed steel sheets to automobile original equipment manufacturers (**OEMs**), or their vendors. HSIPL is stated to supply majority of its production in respect of processed steel sheets to Hyundai Motor India Limited (**HMIL**) (about 99%) and remaining to other domestic automobile manufacturers or their vendors. ASPI, also a subsidiary of Hyundai Hysco, is engaged in the business of manufacturing steel pipes and precision steel pipes including *inter-alia* for the two and four wheelers automotive industry.



**COMPETITION COMMISSION OF INDIA**

(Combination Registration No. C-2015/05/272)



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6. Hyundai Steel, a company incorporated and listed in South Korea, is an integrated iron and steel mining company *inter-alia* engaged in manufacture and sale of various steel products such as steel bars, H-shape steel beams, hot and cold rolled steel and plates. It is stated in the notice that Hyundai Steel's presence in India is largely limited to the supply of certain raw materials to HSIPL.
7. In the light of information provided by the Parties and other documents on record, it is observed that there is no horizontal overlap between the activities of Hyundai Steel and Hyundai Hysco in India. Further, given the insignificant market shares of the parties in India, the fact that Hyundai Steel only supplies to HSIPL and the presence of other major suppliers, (both foreign or domestic), it is observed that vertical relationship between the Parties would not result in foreclosure in the upstream or downstream market(s) in which the parties are present in India.
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 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.
9. This order shall stand revoked if, at any time, the information provided by the Parties is found to be incorrect.
10. The Secretary is directed to communicate to the Parties accordingly.