



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2015/08/298)

25.05.2016

Notice filed by Reydel Automotive Holdings B.V.

CORAM:

Mr. Devender Kumar Sikri
Chairperson

Mr. Augustine Peter
Member

Mr. U. C. Nahta
Member

Mr. M. S. Sahoo
Member

Mr. G. P. Mittal
Member

Legal representative: Vinod Dhall and tt&a

Order under sub-section (1) of Section 31 of the Competition Act, 2002 (“Act”)

1. On 03.08.2015, the Competition Commission of India (“**Commission**”) received a notice given by Reydel Automotive Holdings B.V. (“**Acquirer**” or “**Reydel**”), pursuant to an inquiry initiated by the Commission under sub-section (1) of Section 20 of the Act (“**Notice**”). The combination relates to the global acquisition of automotive interiors business of Visteon Corporation (“**Visteon**”) by Reydel, pursuant to an Amended and Restated Master Purchase Agreement dated 01.05.2014 (“**MPA**”) (subsequently amended on 03.07.2014 and 31.10.2014) entered into amongst Visteon, Promontoria Holding 103



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B.V.¹ and VIHI LLC, a wholly owned indirect subsidiary of Visteon. As stated in the notice, the Acquirer is a part of the Cerberus group (“**Cerberus**”).

2. With respect to India, the automotive interiors business of Visteon was conducted through an indirect subsidiary i.e. Visteon Automotive Systems India Private Limited (“**VASI**”)². Under the combination, a demerger scheme dated 17.09.2014 was filed by VASI in the High Court of Madras for demerging its automotive interiors business into Visteon Interiors Systems Private Limited (“**Target**”)³. As per the information given in the Notice, the demerger became effective on 01.11.2014.
3. Following the demerger, a Share Purchase Agreement (“**SPA**”) was entered into by the Seller, Reydel Automotive B.V. (a wholly owned subsidiary of the Acquirer) and Reydel Automotive Minority Holdings B.V. (a wholly owned subsidiary of Reydel Automotive B.V.) on 28.11.2014. As a result of the SPA, the entire equity share capital of the Target was acquired by the abovementioned wholly owned subsidiaries of the Acquirer. Further, as stated in the Notice, the acquisition was completed on 01.12.2014.
4. In terms of Regulation 14 of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulation, 2011 (“**Combination Regulations**”), vide letter dated 14.08.2015, the Acquirer was required to remove certain defects and provide information/document(s) by 20.08.2015. The Acquirer filed its response through two separate submissions on 20.08.2015 and 07.09.2015 (after seeking extension of time). However, the said responses were incomplete and, therefore, in terms of Regulation 14 of the Combination Regulations, vide letter dated 24.09.2015, the Acquirer was again required to remove the defects and provide complete information by 28.09.2015. The Acquirer filed its responses on 28.09.2015.

¹ As per the information given in the Notice, Reydel was earlier known as Promontoria Holding 103 B.V.

² As per the information given in the Notice, Visteon was holding VASI through another subsidiary i.e. Halla Visteon Climate Control Corporation (“**Seller**”).

³ As per the information given in the Notice, prior to the consummation of the Combination, the Target was a wholly owned subsidiary of the Seller. Further, post combination, the Target has been renamed as Reydel Automotive India Private Limited (“**Reydel India**”).



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5. Reydel is stated to be an entity based in Netherlands and belongs to the Cerberus Group which is in the business of investing in undervalued assets that can benefit from improvements in operational efficiency, standardized best practice implementation, and a focus on investment decisions based on return on invested capital.
6. Visteon is a US-based global automotive supplier that designs, engineers and manufactures products for Original Equipment Manufacturers (“OEMs”) worldwide. Prior to the combination, Visteon was also in the business of manufacturing and supplying automotive interiors components for vehicles. As already stated, in India, the automotive interiors business of Visteon was conducted through VASI. Pursuant to the demerger, the said business of VASI was transferred to the Target which consisted of products such as instrument panel assemblies, door panels, floor consoles etc. Post combination, these products are now manufactured and sold by Reydel India.
7. It has been stated in the Notice that prior to the combination, Cerberus group, was not engaged in production, distribution or trading of products or services which could be considered substitutable with the products or services of the Target⁴. It has been further stated that prior to the combination, Cerberus group was not engaged in business activities in product markets which are either upstream or downstream from the activities of the Target in relation to automotive interiors components more broadly, or narrowly by reference to individual components such as door panels, consoles etc. Thus, it is observed that prior to the combination; there was no horizontal or vertical overlap between the Cerberus Group and the target business.
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 the assessment of the combination after considering the relevant factors mentioned 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 any appreciable adverse effect on competition in India and therefore, the Commission hereby approves the proposed combination under sub-section (1) of Section 31 of the Act.

⁴ The Acquirer has submitted that one entity of Cerberus group supplies components used in heavy-duty engines to one customer in India; however, such components are not a part of the automotive interiors market.



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9. This order is, however, issued without prejudice to the proceedings under Section 43A of the Act.
10. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.
11. The Secretary is directed to communicate to the Acquirer accordingly.