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For Greater Good

**COMPETITION COMMISSION OF INDIA**  
(Combination Registration No. C-2016/12/468)

18.01.2017

**Notice filed under sub-section (2) of Section 6 of the Competition Act, 2002 given by General  
Motors (Hong Kong) Company Limited**

**CORAM:**

Mr. S. L. Bunker

Member

Mr. Sudhir Mital

Member

Mr. Augustine Peter

Member

Mr. U. C. Nahta

Member

Mr. G. P. Mittal

Member

**Legal Representative:** Shardul Amarchand Mangaldas

**Order under sub-section (1) of Section 31 of the Act**

1. On 26.12.2016, the Competition Commission of India (“**Commission**”) received a notice under sub-section (2) of Section 6 of the Competition Act, 2002 (“**Act**”) given by General



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- Motors (Hong Kong) Company Limited (“**GMHK**”/ “**Acquirer**”). The notice was filed pursuant to the execution of Share Sale Term Sheet Agreement (Binding Term Sheet), dated 01.12.2016, entered into between SAIC Motor Corporation Limited (“**SAIC**”) and General Motors International Operations Pte. Ltd. (“**GMIO**”).
2. GMHK proposes to acquire 9.2% shares of SAIC General Motors Investment Limited (“**HKJV**”/ “**Target**”) from SAIC Motor HK Investment Limited (“**SAIC HK**”/ “**Seller**”) (Hereinafter Acquirer, Seller and Target are collectively referred to as the “**Parties**”). At the same time, GMIO will acquire one share each of the two subsidiaries of HKJV, i.e., General Motors India Private Limited (“**GMI**”) and Chevrolet Sales India Private Limited (“**CSIPL**”) from SAIC HK (“**Proposed Combination**”). As a result, SAIC HK will exit from HKJV and its subsidiaries, GMI and CSIPL.
  3. GMHK, belonging to General Motors group, is a wholly owned subsidiary of General Motors China, Inc. It is a holding company and is not engaged in the manufacture or supply of any product/service either globally or in India.
  4. GMIO, belonging to General Motor Group, is a wholly owned subsidiary of General Motors Company. It performs headquarter functions supporting and overseeing local GM units and coordinating with GM’s global headquarters in Detroit, Michigan, USA. GMIO also engages in trading vehicles and parts from source plants to various GM units. However, GMIO does not manufacture or sell any product or provide any service in India. Further, GMIO has no subsidiary which manufactures or sells any product or service in India
  5. HKJV, incorporated in 2010, is a joint venture between GMHK and SAIC HK. Presently, GMHK owns 90.8% and SAIC HK owns 9.2% shareholding interest in HKJV and both joint venture partners have joint control over HKJV. Furthermore, HKJV holds 99.99% shares each of General Motors India Private Limited (“**GMI**”) and CSIPL. HKJV is a holding company and does not directly undertake any business activities worldwide, or in India. HKJV has two subsidiaries in India, namely GMI and CSIPL. GMI manufactures/assembles passenger cars of



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- Chevrolet brand in India. CSIPL procures passenger cars from GMI and sells them throughout India through its distribution network and provides after-sales related services for these Chevrolet branded passenger cars.
6. SAIC HK, headquartered in Hong Kong is a wholly owned subsidiary of Shanghai Automotive Industry Corporation Group (“SAIC”), which in turn is wholly owned by Shanghai SASAC (State owned Assets Supervision and Administration Commission of Shanghai Municipal Government). It’s business include wholesale distribution of motor vehicle supplies, accessories including engines, gearboxes, powertrains, chassis, interior and exterior electronic components, tools and equipment. Globally, SAIC operates in three segments: a) vehicles and parts; b) financing; and c) services.
  7. The Commission noted that the Proposed Combination envisages exit of SAIC HK from HKJV. Commission further noted that General Motors group is present in the automobile market in India only through HKJV’s subsidiaries namely GMI and CSIPL. Thus, there are no horizontal or vertical overlaps between activities of HKJV and General Motors group and that the consequent change in control over HKJV is not likely to result in a change in competition dynamics in any market in India.
  8. Considering facts on record and 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 appreciable adverse effect on competition in India and therefore, the Commission, approved 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 Acquirer is found to be incorrect.



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10. The information provided by the Acquirer 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 Acquirer accordingly.