



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2016/04/388)

25th May 2016

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

- Dr. Wolfgang Porsche Holding GmbH
- Ferdinand Porsche Familien-Holding GmbH

CORAM:

Devender Kumar Sikri
Chairperson

Augustine Peter
Member

U.C. Nahta
Member

M.S. Sahoo
Member

G.P. Mittal
Member

Legal Representative: M/s Platinum Partners

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

1. On 13th April 2016, the Competition Commission of India (hereinafter referred to as the “**Commission**”) received a notice filed jointly by Dr. Wolfgang Porsche Holding GmbH (“**WPH**”/ “**Surviving Entity**”) and Ferdinand Porsche Familien-Holding GmbH (“**FPFH**”) under Section 6 (2) of the Competition Act, 2002 (“**Act**”). (Hereinafter, WPH and FPFH are collectively referred to as “**Parties**”). The notice was filed pursuant to the board resolutions, each dated 15th March 2016, passed by the board of directors of WPH and FPFH.



2. The proposed combination is an internal reorganization of the shareholding of the Porsche family members. The proposed combination will be implemented by way of a merger of FPFH with WPH, each belonging to Porsche family members, under Section 5 (c) of the Act, with WPH being the surviving entity. It involves the following three steps:
 - (i) Step 1: The current shareholders of WPH have set up a new holding company i.e. Familie WP Holding GmbH (“**FWPH**”) – a limited liability company under the laws of Austria.
 - (ii) Step 2: The current shareholders of WPH will contribute all their respective shares in WPH to FWPH. As a result, FWPH will become WPH’s holding company till the merger of FPFH with WPH.
 - (iii) Step 3: Merger of FPFH with WPH will be implemented. As a result, WPH will become the ultimate holding company.
3. FPFH and WPH are limited liability companies set up by certain members of the Porsche family and under the laws of Austria. Both are mere holding companies and do not directly conduct commercial activities in India or elsewhere. Certain members of the Porsche family are common shareholders in both WPH and FPFH.
4. As stated in the notice, Parties belong to the members of the Porsche family and are common shareholders in both WPH and FPFH and are also common members on the advisory board of Ferdinand Porsche Familien-Privatstiftung (“**PoPS**”) - a private foundation of the Porsche family existing under the laws of Austria. Prior to proposed combination, PoPS holds 90% stake in FPFH which is the holding company of Ferdinand Alexander Porsche GmbH (“**FAPD**”). FAPD, through an intermediate company, holds majority of voting shares in Porsche Automobil Holding SE (“**PSE**”), which in turn holds majority of voting rights of Volkswagen Aktiengesellschaft (“**Volkswagen AG**”) and has ultimate control over it. Volkswagen AG is present in India through a number of subsidiaries registered in India. After the merger of FPFH with WPH, PoPS would hold 90% stake in WPH and the rest of the stake will be held by certain Porsche family members.
5. As stated in the notice, neither FPFH nor WPH has any direct or indirect shareholding and / or control over other enterprise(s) engaged in: (i) any activity relating to the production, distribution or trading of similar/identical/substitutable products or provision of similar/identical/substitutable services as that of Volkswagen AG; and (ii) any activity relating to the production, supply, distribution, storage, sale and service or trade in products or provision of services, which is at different stages or levels of the production chain to that of Volkswagen AG. Accordingly, there are no direct or indirect horizontal or vertical overlaps between the Parties.



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 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.
7. The information provided by the Parties shall be treated as confidential in terms of and subject to provisions of Section 57 of the Act.
8. The Secretary is directed to communicate to the Parties accordingly.