



**COMPETITION COMMISSION OF INDIA**  
(Combination Registration No. C-2014/09/213)

**05.11.2014**

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

- Panasonic Holding (Netherlands) B.V.
- Panasonic Asia Pacific Pte. Ltd.
- Panasonic Corporation, Japan

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

1. On 30<sup>th</sup> September 2014, the Competition Commission of India (hereinafter referred to as the “**Commission**”) received a notice under sub-section (2) of Section 6 of the Competition Act, 2002 (“**Act**”) given by Panasonic Holding (Netherlands) B.V. (“**PN**”), Panasonic Asia Pacific Pte. Ltd. (“**PS**”) and Panasonic Corporation, Japan (“**PJ**”) (hereinafter PN, PS and PJ are collectively referred to as “**Panasonic**”).
2. As stated in the notice, through the proposed combination, Minda Industries Limited (“**MIL**”) would enter into a joint venture (“**JV**”) with Panasonic for manufacture and sale of lead acid storage batteries (“**LASB**”) for automotive and industrial applications. The proposed JV in which PN and MIL would have 60 percent and 40 percent shareholding respectively, would be housed in Minda Batteries Private Ltd. (“**MBPL**”), with the latter being renamed as Panasonic Minda Storage Batteries India Pvt. Ltd. (“**PMSBIPL**” or “**JV Co**”). To this effect, as stated in the notice, a Share Purchase Agreement has been signed between MBPL, existing shareholders of MBPL, PN and PS on 22<sup>nd</sup> September 2014, alongwith a Joint Venture Agreement executed between PN, PJ, MIL and MBPL and Business Transfer Agreement (“**BTA**”) between MIL and MBPL.
3. As per the information provided in the notice, the proposed transaction would comprise of various steps i.e. (a) PJ, through its subsidiaries PN and PS, will



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- acquire 100 percent shares of MBPL, (b) PJ, through PN, will capitalise MBPL by subscribing to its equity shares capital, (c) MIL would infuse funds in the JV Co against which JV Co will allot equity shares to MIL, as stated above, and (d) MIL will transfer its Battery Business, as defined in the BTA, which would include manufacturing facility for LASB located in Pantnagar, Uttarakhand, to the JV Co, by way of slump sale.
4. PN, a company based in Netherlands, is a wholly owned subsidiary of PJ. It is the investment arm of PJ and acts as shareholder of the subsidiary companies of PJ located outside Japan. PS, incorporated in Singapore, is a wholly owned subsidiary of PN. PS manufactures and supplies electronic products and solutions for customers in the Asia Pacific, Middle East and Africa regions. PJ, a company headquartered in Japan, is one of the largest Japanese companies, which through its various subsidiaries is engaged in the manufacture and supply of consumer products, solutions, components and devices in various domains including automotive and industrial systems. As stated in the notice, PJ is also engaged in the manufacture and sale of different types of batteries, including LASB, worldwide. In India, PJ is engaged in the sale and distribution LASB in four-wheeler and un-interrupted power supply (“UPS”) segments, through its direct and indirect subsidiaries.
  5. MIL, a listed company in India along with its subsidiaries and associates, is engaged in the manufacture and sale of automotive components, including LASB. MIL currently manufactures batteries for two wheelers only. MBPL, a company incorporated in India and currently owned by one of the promoters of MIL is engaged in trading of batteries manufactured by MIL. (Hereinafter PJ, PN, PS, MIL and MBPL are collectively referred to as the “**Parties**”)
  6. In terms of Regulation 14 of the Competition Commission of India (Procedure in regard to transaction of business relating to combinations) Regulations, 2011 (“**Combination Regulations**”), vide letter dated 9<sup>th</sup> October 2014, the Parties were required to remove defects and furnish certain information/document(s). The



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Parties filed their response on 13<sup>th</sup> October 2014. As the defects had not been removed, vide letter dated 20<sup>th</sup> October 2014, the Parties were again asked to remove those defects and furnish the required information/document(s) by 28<sup>th</sup> October 2014. The Parties filed their response on 22<sup>nd</sup> October 2014. As the defects had still not been removed, vide letter dated 24<sup>th</sup> October 2014, the Parties were required to remove those defects and furnish complete information/document(s) by 29<sup>th</sup> October 2014. The Parties filed their response on 27<sup>th</sup> October 2014.

7. LASB are electrochemical storage batteries that are used in automobile and industrial applications. As regards the LASB for automobile applications, they can be classified in the segment of two wheelers, four wheelers and other vehicles, which include heavy commercial vehicles and tractors etc. As regards the LASB for industrial application, they can be further classified in the segment of UPS and other industrial applications such as in Telecom, Railway and Power etc.
8. As per the information given in the notice and other documents on record, it is observed that MIL is engaged in manufacture and sale of LASB for two-wheelers only, whereas Panasonic is engaged in sale and distribution of LASB for four-wheelers and UPS segments, in India. Further, as stated in the notice, there is also no vertical relationship between Panasonic and MIL, in India. It is also observed that MIL and Panasonic have only small presence in their respective LASB segments, in India. Moreover, there are other significant players present in the LASB market, in all the automotive and industrial segments, in India. In view of the foregoing, the proposed combination is not likely to give rise to any competition concern in India.
9. 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 appreciable adverse effect on competition in India and therefore, the



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Commission hereby approves the proposed combination under sub-section (1) of Section 31 of the Act.

10. This approval is without prejudice to any other legal/statutory obligations as applicable.
11. This order shall stand revoked if, at any time, the information provided by the parties is found to be incorrect.
12. The Secretary is directed to communicate to the Parties accordingly.