



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2018/05/572)

05th June, 2018

Notice under Section 6 (2) of the Competition Act, 2002 jointly given by Tenneco Inc., Icahn Enterprises L.P., and American Entertainment Properties Corp.

CORAM:

Mr. Devender Kumar Sikri
Chairperson

Mr. Sudhir Mital
Member

Mr. Augustine Peter
Member

Mr. G. P. Mittal
Member

Legal Representative: M/s Shardul Amarchand Mangaldas & Co.

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

1. On 21st May, 2018, the Competition Commission of India (hereinafter referred to as the “**Commission**”) received a notice filed by Tenneco Inc. (“**Tenneco**”/ “**Acquirer**”), Icahn Enterprises L.P. (“**IEP**”), and American Entertainment Properties Corp (“**AEPC**”) in relation to acquisition of Federal-Mogul LLC (“**FDML**”/ “**Target**”) by Tenneco.



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2018/05/572)



*Fair Competition
For Greater Good*

2. The notice has been filed under sub-section (2) of Section 6 read with sub-section (a) of Section 5 of the Competition Act, 2002 (“Act”) pursuant to Membership Interest Purchase Agreement (“MIPA”) dated 10th March 2018 executed between Tenneco, FDML, IEP and AEPC. (hereinafter, Tenneco and FDML are collectively referred to as “Parties”).
3. The proposed combination involves acquisition of FDML by Tenneco pursuant to MIPA and issuance of Class A common stock (representing a 9.9% voting interest) and up to 23.8 million shares of Non-Voting Class B common stock to IEP (through its 100% indirectly owned subsidiary AEPC), as consideration for the FDML Acquisition by Tenneco to IEP through AEPC.
4. Tenneco, a Delaware corporation listed on New York Stock Exchange and the Chicago Stock Exchange, USA, designs, manufactures and sells products for motor vehicles on worldwide basis. Tenneco has a wholly-owned subsidiary in India i.e. Tenneco Automotive India Private Limited.
5. FDML is a Delaware Limited Liability Company indirectly owned by IEP, which is listed on the NASDAQ Stock Markets. FDML develops, manufactures and sells products and services for automotive, light and heavy vehicles, rail and industrial applications. These products and services *interalia* relate to engine, transmission and driveline, brake friction, sealing and chassis. FDML is present in India through its eight subsidiaries namely:
 - i. Federal-Mogul Ignition India Limited
 - ii. Federal-Mogul Powertrain Solutions India Private Limited
 - iii. Federal-Mogul Anand Sealings India Limited
 - iv. Motocare (India) Private Limited
 - v. Federal-Mogul Motorparts (India) Limited
 - vi. Federal-Mogul Goetze (India) Limited
 - vii. Federal-Mogul TPR (India) Limited
 - viii. Federal-Mogul Anand Bearings Limited



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2018/05/572)



*Fair Competition
For Greater Good*

6. The Commission observed that the Parties are not engaged in the manufacture, sale or provision of similar or substitutable products or services in India. In relation 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, the Commission observed that FDML manufactures and sells sealing products ('Upstream Segment'), which are used by Tenneco in manufacturing of exhaust systems for light vehicles ('Downstream Segment'). The Commission decided to leave the exact delineation of the relevant market(s) open as the proposed combination, for the reasons detailed in ensuing paragraph, is not likely to cause appreciable adverse effect on competition.
7. With regards to the upstream segment, it is observed that in the year 2017, FDML supplied (0-5%) percent of its total sealing products to Tenneco and that FDML's share in the segment by value and volume was (0-5%) and (10-15%), respectively. Other players present in the market are Talbros, Banco, Sankar, Victor Reinz and Elring Klinger.
8. In relation to the downstream segment, it is observed that Tenneco procured (20-25%) of sealing products from FDML of the total purchase of sealing products made by it in India in the year 2017. As per information, Tenneco's share in the segment was (15%-20%) by value and volume. Other players present in the market are Futaba, Faurecia, Sharda, Mark and Yutaka.
9. 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 the 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.
10. This order shall stand revoked if, at any time, the information provided by the Acquirers is found to be incorrect.



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2018/05/572)



*Fair Competition
For Greater Good*

11. The information provided by the Acquirer shall be treated as confidential in terms of and subject to the provisions of Section 57 of the Act.

12. The Secretary is directed to communicate to the Acquirer accordingly.