



सत्यमेव जयते



## COMPETITION COMMISSION OF INDIA

(Combination Registration No. C-2017/12/541)

09.02.2018

### Notice under Section 6 (2) of the Competition Act, 2002 jointly given by Reliance Aerostructure Limited and Thales India Private Limited

#### CORAM:

Mr. Devendra Kumar Sikri  
Chairperson

Mr. Sudhir Mital  
Member

Augustine Peter  
Member

Mr. U. C. Nahta  
Member

Mr. G. P. Mittal  
Member

**Legal Representatives of the parties to the combination:** Khaitan & Co., LLP

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

1. On 27.12.2017, the Competition Commission of India (“**Commission**”) received a notice jointly given by Reliance Aerostructure Limited (“**Reliance Aero**”) and Thales India Private Limited (“**TIPL**”), under sub-section (2) of Section 6 of the Competition Act, 2002 (“**Act**”). The notice was filed pursuant to execution of Shareholder’s Agreement dated 28.11.2017 between Reliance Aero and TIPL (hereinafter, Reliance Aero and TIPL are collectively referred to as “**Parties**”).
2. In terms of Regulation 14 of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011,



*vide* letter dated 19.01.2018, the Parties was required to furnish certain information. The Parties submitted required information on 24.01.2018.

3. The proposed combination contemplates creation of a joint venture, *i.e.*, Thales Reliance Defence Systems Limited (“**JVCo**”) between Reliance Aero and Thales SA (“**Thales**”) (through TIPL), wherein Reliance Aero would hold 51 per cent equity share capital and the remaining 49 per cent equity share capital would be held by TIPL (hereinafter, referred to as the “**Proposed Combination**”).
4. Reliance Aero, a company incorporated under the Companies Act, 1956, is a step-down subsidiary of Reliance Infrastructure Limited (“**RInfra**”), which belongs to Reliance Group. Reliance Aero is stated to have no activities worldwide, except for work being done through its existing joint venture *i.e.* Dassault Reliance Aerospace Limited with Dassault Aviation.
5. TIPL, a private limited company registered in India, is stated to be a wholly owned subsidiary of Thales Asia Holding Pte Limited and ultimate subsidiary of Thales. It is stated to be engaged *inter alia* in the business of rendering technical support to its group companies vis-à-vis radars, air-borne electronic systems, avionics, optronics, air-traffic management etc. It also undertakes activities like import, assembly, sale, installation and commissioning of equipment for transportation industry including railways and metros.
6. It is noted from the information given in the notice that Reliance Aero and Thales, through TIPL, agreed to constitute the JVCo for implementation of part of the offset obligations related to the Inter-Governmental Agreement between the Government of India and the Government of France dated 23.09.2016 for purchase of Rafale (fighter aircraft) in fly-away condition.
7. On the basis of information provided by the Parties, the Commission noted that the Parties do not produce/provide similar or identical or substitutable products or services either directly or indirectly. The Commission also observed that the Parties are not



engaged in any activity relating to the production, supply, distribution, storage, sale and services or trade in products or provision of services which is at different stages or levels of the production chain.

8. Considering the facts on record, details provided in the notice given under sub-section (2) of Section 6 of the Act and an assessment of the Proposed Combination on the basis of factors stated in Section 20(4) 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. Therefore, the Commission approves the Proposed Combination under sub-section (1) of Section 31 of the Act.
9. This order shall stand revoked if, at any time, information provided by the Parties is found to be incorrect.
10. The information provided by the Parties 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 Parties accordingly.