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For Greater Good

**COMPETITION COMMISSION OF INDIA**  
(Combination Registration No. C-2017/02/484)

30.03.2017

**Notice filed under sub-section (2) of Section 6 of the Competition Act, 2002 jointly by British American Tobacco P.L.C., Batus Holdings Inc., Flight Acquisition Corporation, and Reynolds American Inc**

**CORAM:**

Mr. Devender Kumar Sikri  
Chairperson

Mr. Augustine Peter  
Member

Mr. U. C. Nahta  
Member

**Legal Representative:** M/s Khaitan & Co. LLP

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

1. On 15.02.2017, the Competition Commission of India (“**Commission**”) received a notice under sub-section (2) of Section 6 of the Competition Act, 2002 (“**Act**”) jointly given by British American Tobacco P.L.C. (“**BAT**”), Batus Holdings Inc. (“**BATUS**”), Flight Acquisition Corporation (“**Sub**”), and Reynolds American Inc (“**RAI**”) (Hereinafter BAT, BATUS, SUB and RAI are collectively referred to as the “**Parties**”), pursuant to an Agreement and Plan of Merger dated 16.01.2017 (“**Merger Agreement**”) executed by and between the Parties.



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2. The proposed combination envisages merger of BAT and RAI (**“Proposed Combination”**).
3. BAT, incorporated in England and Wales, is engaged in manufacturing and marketing of cigarettes and other tobacco products. BAT does not have any direct/physical business presence in India. As submitted, BAT has indirect non-controlling interest in ITC Limited (**“ITC”**) and VST Industries Limited (**“VST”**) (both of whom are in the business of manufacture of cigarettes and other tobacco products in India) through its overseas subsidiaries.
4. BATUS is an indirect wholly owned subsidiary of BAT, incorporated in United States of America. BATUS is a holding company, which owns all issued shareholding of the Sub.
5. Sub, incorporated in the United States of America on 12 January 2017 for the purposes of the Proposed Combination, is not engaged in any business activities either globally or in India.
6. RAI, incorporated in United States of America, is engaged in the business of manufacture of cigarettes and other tobacco products. RAI does not have any direct/indirect operations in India.
7. The Commission observed that both BAT and RAI, through their respective subsidiaries, manufacture cigarettes and other tobacco products. However, since RAI has no business presence in India, the Proposed Combination does not lead to any horizontal overlaps/vertical relationships 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



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India and therefore, the Commission, hereby, approves 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 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.