

COMPETITION COMMISSION OF INDIA

(Combination Registration No.C-2016/12/467)

18th January, 2017

**Notice under Section 6 (2) of the Competition Act, 2002 jointly given by Reliance
Aerostructure Limited and Dassault Aviation**

Coram:

S.L. Bunker
Member

Sudhir Mital
Member

Augustine Peter
Member

U. C. Nahta
Member

G.P. Mittal
Member

Legal Representatives of the parties: Shardul Amarchand Mangaldas & Co.

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

1. On 20th December 2016, the Competition Commission of India (“**Commission**”) received a notice jointly given by Reliance Aerostructure Limited (“**Reliance Aero**”) and Dassault Aviation (“**Dassault**”) under sub-section (2) of Section 6 of the Competition Act, 2002 (“**Act**”), (hereinafter Reliance Aero and Dassault are collectively referred to as “**Parties**”). The notice has been filed pursuant to execution of a Share Subscription

Agreement and Shareholder's Agreement each dated 28th November, 2016 between Reliance Aero and Dassault.

2. The proposed combination contemplates creation of a joint venture between Reliance Aero and Dassault, i.e., Dassault Reliance Aerospace Limited, wherein Reliance Aero would hold 51% shares with the remaining 49% would be held by Dassault (hereinafter, referred to as the “**Proposed Combination**”).
3. Reliance Aero, a company incorporated under the erstwhile Companies Act, 1956, is a wholly owned subsidiary of the Reliance Defence Limited, which in turn is a wholly owned subsidiary of Reliance Infrastructure Limited. It has been stated in the notice that Reliance Aero does not have any manufacturing activities in India.
4. Dassault, a French *société anonyme*, incorporated under the laws of France, is engaged in the business of manufacturing military aircrafts and business jets, and is the Rafael aircraft integrator as well as manufacturer of airframes and subsystems thereof. As stated in the notice, Dassault has no manufacturing presence in India. Dassault is present in India through one subsidiary, i.e., Dassault Aircraft Services India Limited, which is engaged in the business of providing support services to its parent company i.e Dassault.
5. The Commission observed that Dassault is engaged in the market for manufacture and supply of military combat aircrafts at the global level. The Commission noted that neither Reliance Aero nor the Reliance Group is present in the market for the manufacture and supply of military combat aircrafts at a global level or in India. Accordingly, the parties do not produce/ provide similar or identical or substitutable products or services either directly or indirectly in India.
6. 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.
7. Considering the facts on record and the details provided in the notice given under subsection (2) of Section 6 of the Act and on basis of the assessment of the proposed combination, 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 Commission, hereby, approves the same under sub-section (1) of Section 31 of the Act.

8. This order shall stand revoked if, at any time, the information provided by the parties is found to be incorrect.
9. The information provided by the parties is confidential at this stage in terms of and subject to provisions of Section 57 of the Act.
10. The Secretary is directed to communicate to the parties accordingly.