

Summary of the Proposed Combination

*[In terms of Regulation 13 (1B) of the Competition Commission of India
(Procedure in regard to the transaction of business relating to
combinations), 2011, as amended]*

A. Parties to the Proposed Combination

1. The Parties to the Proposed Combination are:
 - a) DENSO Corporation (“**Acquirer**”/ “**DENSO**”); and
 - b) Subros Limited (“**Target**”/ “**Subros**”);

B. Type of the Proposed Combination

2. The proposed combination is structured as an acquisition of shares and is being undertaken pursuant to the Binding Memorandum of Understanding dated 27 September 2018 (“**Binding MoU**”) executed between DENSO and Subros, by way of which DENSO proposes to increase its existing shareholding in Subros by acquiring an additional 7% shareholding in Subros (“**Proposed Combination**”).

C. The Area of activity of the Parties to the Proposed Combination

DENSO

3. DENSO is a global automotive components manufacturer, headquartered in Japan. DENSO is present globally through its various subsidiaries in North America, Asia, Europe and South America. Globally, DENSO delivers a wide variety of automotive products and technologies such as, powertrain control systems, electronic systems, thermal systems, information and safety systems, etc.

Subros

4. Subros is a joint venture between DENSO, Suri family and Suzuki Motor Corporation. Subros is an integrated manufacturing unit in India for automotive air conditioning systems. The products manufactured by Subros include, HVAC, compressors, condensers, heat exchangers and all connecting elements required to complete the air conditioning systems.

D. Relevant market(s) to which the Proposed Combination relates

5. The relevant market definition can be kept open considering that the Proposed Combination will not change the competitive landscape of the relevant market. However, for the purposes of the Hon'ble Commission's assessment, the relevant market in relation to the Proposed Combination can be defined as the

*market for manufacturing and commercial sale of automotive air conditioning systems in India (“**Relevant Market**”).*

6. However, for the ease of assessment of the Hon’ble Commission, the relevant market can also be defined narrowly based on the overlapping products manufactured by Denso and Subros:

a) the market for manufacturing and commercial sale of compressor units used in automotive air conditioning systems in India;

b) the market for manufacturing and commercial sale of HVAC units used in automotive air conditioning systems in India; and

c) the market for manufacturing and commercial sale of condenser units used in automotive air conditioning systems in India.

collectively referred to as “**Alternative Relevant Markets**”.
