

SUMMARY OF THE PROPOSED COMBINATION

[In terms of Regulations 13 (1A) of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations), 2011]

A. Name of the parties to the combination

1. The names of the parties to the combination are:
 - a. Talace Private Limited (**Talace**)
 - b. Air India Limited (**Air India**)
 - c. Air India Express Limited (**AIXL**)
 - d. Air India Airport Services Private Limited (**AISATS**)
2. Talace, Air India, AIXL and AISATS are collectively referred to as the **Parties**.

B. The nature and purpose of the combination

3. By way of the proposed combination, Talace would acquire 100% equity share capital and sole control over the management and operations of Air India and AIXL, and 50% equity share capital and joint control over the management and operations of AISATS (**Proposed Transaction**).
4. The Proposed Transaction is in the nature of an acquisition of shares and voting rights under Section 5(a)(i)(A) of the Competition Act, 2002.
5. The Proposed Transaction is in relation to the proposed strategic divestment by the Government of India of its 100% equity share capital and control in Air India

Limited, along with Air India's 100% shareholding in AIXL and 50% shareholding in AISATS.

C. The products, services and business(es) of the Parties to the combination

Talace

6. Talace is a newly established wholly-owned subsidiary of Tata Sons Private Limited (**Tata Sons**). At present, Talace is not engaged in any business activity.
7. Tata Sons is an investment holding company, which is registered as a core investment company with the Reserve Bank of India. Tata Sons has the following joint venture companies, which are relevant for the review of the Proposed Transaction:
 - a. Tata SIA Airlines Ltd. (**Vistara**)- Vistara provides domestic scheduled air passenger transport services, international scheduled air passenger transport services and air cargo transport services in India.
 - b. Air Asia India Ltd. (**Air Asia India**)- Air Asia India provides domestic scheduled air passenger transport services and air cargo transport services. Air Asia India does not provide air passenger transport services on international routes in India.
8. Further, Tata Sons also has indirect shareholding and control over Taj SATS Air Catering Limited (**Taj SATS**) and Taj Madras Flight Kitchen Private Limited (**Taj Madras**), which provide in-flight catering services in India.

Air India, AIXL and AISATS

9. Air India operates under the administrative control of Ministry of Civil Aviation and entirely owned by the Government of India. Air India, along with AIXL, provides domestic scheduled air passenger transport service, international scheduled air passenger transport service, and air cargo transport services in India.
10. AISATS provides ground handling services at Delhi, Bengaluru, Hyderabad, Mangalore and Thiruvananthapuram airports, as well as cargo handling services at the Bengaluru airport.

D. The respective markets in which the Parties to the combination operate

11. There are no direct horizontal overlaps, vertical relationships or complementary relationships between the Parties. Tata Sons (through Vistara, Air Asia India, Taj SATS and Taj Madras) is engaged in businesses that are horizontally or vertically related to the activities of Air India, AIXL and AISATS in India. However, the Proposed Transaction will not cause any appreciable adverse effect on competition in India, irrespective of the relevant market definition.
12. Nevertheless, to aid the Hon'ble Competition Commission of India's assessment of the Proposed Transaction, the following relevant markets have been identified:

Horizontal overlaps

- a. Market for domestic passenger air transport services in India (including on the basis of each overlapping origin and destination route pair);
- b. Market for international passenger air transport services in India (including

- on the basis of each overlapping origin and destination route pair);
- c. Market for provision of air cargo transportation services in India;
 - d. Market for provision of domestic air cargo transportation services in India;
and
 - e. Market for provision of international air cargo transportation services to
and from India.

Vertical relationships

- a. The upstream markets for ground handling services at Bengaluru, Delhi, Hyderabad, Mangalore and Thiruvananthapuram airports; the downstream markets for passenger air transport services at Bengaluru, Delhi, Hyderabad, Mangalore and Thiruvananthapuram airports;
- b. The upstream market for cargo handling services at Bengaluru airport; the downstream market for air cargo transport services at Bengaluru airport;
and
- c. The upstream market for in-flight catering services in India; the downstream market for passenger air transport services in India.
