COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2015/02/248)

18th March 2015

Notice under section 6(2) of the Competition Act, 2002 jointly filed by Sabita Sub, Inc. and Symphony Teleca Corporation

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

1. On 18th February 2015, 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 Sabita Sub, Inc. (‘Sabita’) and Symphony Teleca Corporation (‘Symphony’), pursuant to an Agreement and Plan of Merger dated 22nd January 2015, entered into between Symphony, Harman International Industries Incorporated (‘Harman’), Sabita and Symphony Technology Group, L.L.C. (‘STG’). Sabita and Symphony are collectively referred to as the ‘Parties’.

2. The proposed combination relates to acquisition of Symphony by Harman. Pursuant to the Agreement and Plan of Merger, Sabita, a subsidiary of Harman, will merge into Symphony and Symphony being the surviving entity will become the subsidiary of Harman.

3. As stated in the notice, Sabita was recently incorporated in the state of Delaware, USA and is not engaged in any business activity. Harman, also incorporated in the state of Delaware, is a global company which designs, manufactures and markets audio products and electronic systems for the automotive, consumer and professional industries. Harman’s automotive segment designs, manufactures and markets infotainment products and systems for original equipment manufacturers and aftermarket vehicle applications. Its consumer segment designs, manufactures and markets audio, video and electronic systems for home, mobile and multimedia applications, whereas its professional segment designs, manufactures and markets loudspeakers and electronic systems including mixing consoles used by audio professionals. Harman is present in India through its subsidiaries, namely, Harman International (India) Pvt. Ltd. and AMX Products and Solutions Private Limited.
The said subsidiaries of Harman are, *inter alia*, engaged in research and development and manufacture and sales of infotainment and automotive audio systems, in India.

4. Symphony, headquartered in California, USA, is a privately held company, owned by STG. Symphony is a global company that focuses on software development services. Symphony is present in India through its subsidiaries, namely, Symphony India, Aditi India and INSP India. Whereas, Symphony India and Aditi India are engaged in the provision of services similar to Symphony, i.e. software development services, INSP India is currently not engaged in any business activity. Symphony offers a comprehensive set of services to a variety of industries, including software, mobile devices and connected systems, automotive, healthcare, consumer electronics, retail and media.

5. In terms of Regulation 14 of the Competition Commission of India (Procedure in regard to transaction of business relating to combinations) Regulations, 2011 (‘Combination Regulations’), vide letter dated 27th February, 2015, the Parties were required to remove defects and furnish certain information/document(s) by 4th March, 2015. The Parties filed their response on due date.

6. As already stated above, the proposed combination relates to the acquisition of Symphony, which globally as well as in India provides software development services, by Harman, which is a global manufacturer of audio products and electronic systems for the automotive, consumer and professional industries. It is, therefore, noted that there is no horizontal overlap between the Parties in India.

7. As submitted by the Parties, there exists a vertical relationship between Symphony and Harman as Symphony provides software development services to Harman, which are subsequently integrated into the products sold by Harman. In this regard, it is noted that the revenue generated by such services provided to Harman by Symphony constitutes only an insignificant part of Symphony’s revenues generated in India. It is also noted that the services supplied by Symphony constitutes only a small fraction of total such services procured by Harman in India.

8. Considering the facts on record and the details provided in the notice, the Commission is of the opinion that the proposed combination is not likely to have an appreciable adverse effect on competition in India and, therefore, the Commission
hereby approves the proposed combination under sub-section (1) of Section 31 of the Act.

9. This approval is without prejudice to any other legal/statutory obligation as applicable.

10. This order shall stand revoked if, at any time, the information provided by the parties is found to be incorrect.

11. The Secretary is directed to communicate to the Parties accordingly.