

COMPETITION COMMISSION OF INDIA

20th March, 2012

Combination Registration No. C-2012/03/42

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

1. On 7th March, 2012, the Competition Commission of India (hereinafter referred to as "**Commission**") received a notice of the proposed combination between United Breweries Limited (hereinafter referred to as "**UBL**") and Scottish and Newcastle India Private Ltd. (hereinafter referred to as the "**SNIPL**"), under sub-section (2) of Section 6 of the Competition Act, 2002 (hereinafter referred to as "**Act**").
2. The proposed combination is an amalgamation of SNIPL into UBL pursuant to implementation of a scheme of amalgamation under Sections 391 to 394 and Sections 100 to 103 of the Companies Act, 1956. As a result of the proposed combination, SNIPL would cease to exist and UBL would be the surviving entity after the amalgamation.
3. The proposed combination falls under clause (c) of Section 5 of the Act.
4. UBL is a public limited listed company incorporated under the Companies Act, 1956 and its primary business is to produce, package, distribute, market and sell-beer in India and abroad. As per details provided in the notice, the shares of UBL are held by UB Group to the extent of 37.38 per cent, Heineken Group to the extent of 37.38 per cent and remaining 25.24 per cent by others. As stated in the notice, Heineken Group is holding shares in UBL through its wholly owned subsidiaries i.e. SNIPL, which holds 3.22 percent; Scottish and Newcastle India Limited UK (**SNIL UK**), which holds 34.13 percent and Heineken International B.V. (**HIBV**), which holds 0.03 per cent (SNIPL, SNIL UK, HIBV and Heineken UK are collectively referred to as "**Heineken Group**").
5. SNIPL is a private limited company incorporated under the Companies Act, 1956. It is stated in the notice that, presently, SNIPL has no operations or activities and is merely holding 3.22 per cent shares of UBL. Further, SNIPL is wholly owned by Heineken UK, which in turn is a wholly owned subsidiary of Heineken N.V., the ultimate holding company of the Heineken Group.
6. It is stated in the notice that the objective of the proposed combination is to consolidate Heineken Group's shareholding in UBL, which will lead to consolidation of Heineken Group's presence in India through a single entity i.e. UBL. Pursuant to the implementation of the proposed amalgamation, Heineken UK, which is holding 100 per cent share capital of SNIPL, will be allotted shares of UBL




to the extent of 3.22 per cent, which is equivalent to the present shareholding of SNIPL in UBL.

7. As per the details provided in the notice, it is observed that the aggregate of shares held by UBL Group, Heineken Group and other shareholders in UBL, directly and/or indirectly, before and after the proposed combination remains the same and the proposed combination is not likely to give rise to any adverse competitive concern in India.
8. Considering the facts on record and the details provided in the notice given under sub-section (2) of Section 6 of the Act and the assessment of the proposed combination, 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 obligations as applicable.
10. This order shall stand revoked if, at any time, the information provided by the parties to the combination is found to be incorrect.
11. The Secretary is directed to communicate to UBL and SNIPL accordingly.



Certified True Copy


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New Delhi