



Fair Competition
For Greater Good

COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2013/12/142)

26.12.2013

Notice u/s 6 (2) of the Competition Act, 2002 given by:

- United Spirits Limited (“USL”)
- Enrica Enterprises Private Limited (“EEPL”)

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

1. On 6th December, 2013, the Competition Commission of India (“**Commission**”) received a notice under sub-section (2) of Section 6 of the Competition Act, 2002 (“**Act**”) given by EEPL and USL. The notice was given pursuant to separate resolutions by the Board of Directors of EEPL and USL, on 8th November 2013, approving the transfer by hive-off, of USL’s entire undertaking, business activities and operations of its unit at Poonamallee, Chennai, Tamil Nadu (“**Unit**”), which is a distillery for manufacture of Indian Made Foreign Spirits (“**IMFS**”), to EEPL by way of slump sale on a going concern basis, as per the Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956 (“**Scheme**”).

2. As stated in the notice, pursuant to the proposed combination, the overall framework of which will be governed by the Master Sale Agreement (“**MSA**”), EEPL will manufacture certain brands of USL at the Unit, using technology and know-how and under the trademark, of USL, according to a Franchise Agreement (“**FA**”) which was signed on 4th December, 2013 along with the MSA.



3. The proposed combination falls under Section 5(a) of the Act.
4. USL is a listed public company incorporated under the laws of India and is headquartered at Bangalore. It is principally engaged in the manufacture and sale of Indian Made Foreign Liquor. EEPL is an unlisted company incorporated under the laws of India and has its registered office in Chennai. The promoters of EEPL namely, 'Spurthi Holdings Private Limited', 'Viki Investments and Properties LLP' and 'Sree Shyam Saiy Investments and Traders Private Limited' have diversified business interests and now propose to enter into the business of manufacturing IMFS by way of the proposed combination. EEPL does not carry out any business operations currently.
5. As stated, the manufacture and sale of IMFS in the state of Tamil Nadu is highly regulated by the Tamil Nadu State Marketing Corporation, which has the exclusive privilege of conducting trade in IMFS in Tamil Nadu. There is also the presence of a number of manufacturers of IMFS in Tamil Nadu and as already noted, EEPL and its promoters are currently not engaged in the business of IMFS in the state of Tamil Nadu.
6. Considering the facts on record, the details provided in the notice given under sub-section (2) of Section 6 of the Act and the assessment of the proposed combination on the basis of the factors stated in sub-section (4) of Section 20 of the Act, 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.



7. This approval is without prejudice to any other legal/statutory obligations as applicable.
8. This order shall stand revoked if, at any time, the information provided by the parties to the combination is found to be incorrect.
9. The Secretary is directed to communicate to EEPL and USL accordingly.

Sd/-
(Ashok Chawla)
Chairperson

Sd/-
(M. L. Tayal)
Member

Sd/-
(S. N. Dhingra)
Member

Sd/-
(S. L. Bunker)
Member