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COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2019/09/685)

23rd September, 2019

Notice under Section 6 (2) of the Competition Act, 2002 filed by Varena Holdings Limited.

CORAM:

Mr. Ashok Kumar Gupta
Chairperson

Ms. Sangeeta Verma
Member

Mr. Bhagwant Singh Bishnoi
Member

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

1. On 9th September, 2019, Competition Commission of India (“**Commission**”) received a notice under Section 6(2) of the Competition Act, 2002 (“**Act**”), filed by Varena Holdings Limited. (“**Varena**”/ “**Acquirer**”). The notice has been filed pursuant to the execution of Share Purchase Agreement (“**SPA**”) dated 28th August, 2019 among ‘Selling Shareholders’¹, Dixcy Textiles Private Limited (“**DTPL**” / “**Target**”) and Varena. (Hereinafter, Varena and DTPL are together referred to as “**Parties**”)
2. The proposed combination involves purchase of approximately 40% shareholding of DTPL by Varena from the ‘Selling Shareholders’. (“**Proposed Combination**”) and

¹ Mr. Prem Prakash Sikka, Ms. Parveen Kumari Sikka and Mr. Raghul Sikka together referred as “**Selling Shareholders**”.



post the proposed combination, Varena will hold the entire 100% share capital in DTPL.

3. Varena is a Cyprus-based special purpose vehicle that operates as an investment holding company and is an indirect subsidiary of Advent International Corporation (“**Advent International**”) - managed funds.
4. DTPL is engaged in manufacturing of hosiery products including men’s inner wear (including boy’s inner wear), women’s inner wear (including girl’s inner wear) and casual wear (including t-shirts, tracks, sweatshirts, shorts, leggings, athleisure, capris and skirts).
5. It is submitted by the Acquirer that there are no existing horizontal overlaps or vertical/complementary relationships between Varena (including affiliates of Advent International) and DTPL.
6. However, the Acquirer has stated in the notice that, Varena has entered into a Share Purchase Agreement dated 30th August 2019, to acquire 100% stake in Gokaldas Intimatewear Private Limited (“**Gokaldas**”). As a result of this, there will be some horizontal overlaps between the activities of the Target and Gokaldas. However, the combined market share of the Parties will be insignificant so as not likely to cause an appreciable adverse effect on competition in any of the markets and there are other large players operating in the market such as Jockey, MAS Brands India Pvt. Ltd, Dollar, Zivame, Monte Carlo, Park Avenue and Allen Solley etc.
7. Considering the facts on record, details provided in the notice given under sub-section (2) of Section 6 of the Act and assessment of the proposed combination on the basis of 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 same under sub-section (1) of Section 31 of the Act.



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8. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.
9. The information provided by the Acquirer shall be treated as confidential in terms of and subject to provisions of Section 57 of the Act.
10. The Secretary is directed to communicate to the Acquirer accordingly.