

SUMMARY OF THE PROPOSED COMBINATION

[in terms of Regulation 13(1B) of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, as amended]

A. Name of the Parties

1. The Parties to the combination are:
 - (a) American & Efird Global, LLC (“**A&E**”) – acquirer
 - (b) Vardhman Yarns and Threads Limited (“**VYTL**”) – target

B. Type of the Combination

1. Acquisition - The acquisition of shares of VYTL by A&E amounts to a combination in terms of Section 5 (a) (i) (A) of the Competition Act, 2002.

C. Area of Activity of the Parties to the combination

1. VYTL is a joint venture between VTXL and A&E that was set up in 2008. VTXL holds 51% of, and A&E holds 49% of, the equity share capital of VYTL.
2. VYTL is engaged in the production, sales, marketing, distribution and export of industrial sewing thread, consumer sewing thread and specialty threads.
3. A&E belongs to the “American & Efird” group (“**A&E group**”). The A&E group is a multinational organization and headquartered in The Netherlands.
4. A&E is a manufacturer and distributor of premium quality industrial and consumer sewing thread, embroidery thread and technical textiles. Producers of apparel, automotive components, home furnishings, medical supplies, footwear and a diverse range of industrial products utilise A&E group’s industrial sewing thread to manufacture their products. Through its global network, A&E group’s products are manufactured in 23 countries, distributed in 50 countries and sold in over 100 countries. The A&E group is also recognised for its environmental sustainability and corporate social responsibility, and operates its global facilities with the utmost regard for the safety and health of its associates employed

worldwide.

D. Relevant Markets

1. The proposed combination will not lead to any change in the market structure in India and therefore, there is no likelihood of an appreciable adverse effect on competition (“**AAEC**”) in India. Accordingly, the parties submit that the proposed combination does not have any effect on the competitive landscape in India, regardless of the market definition used for the purpose of this Notice.
2. However, in case the Hon’ble Competition Commission of India (“**Commission**”) deems it necessary to define the relevant market, the following market definition may be considered:
3. The relevant product market can be broadly defined as the “**market for threads**”.
4. However, in the event the Hon’ble Commission wants to look at an alternate narrower market definition, it may consider an alternate market definition based on the classification of threads.
5. For a competition assessment, it may be more relevant to examine the threads from the demand-side point of view i.e. their end-use.
6. Thus, the narrower relevant product markets may be considered to be:-
 - a. “the relevant product market for automotive sewing threads”,
 - b. “the relevant product market for apparel sewing threads”
 - c. “the relevant product market for specialty threads”.
7. The relevant geographic market may be considered at least as wide as India.
