

Summary of the Combination

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

A. Name of the parties to the combination

1. Heritage Foods Limited (“HFL”); and
2. Reliance Retail Limited (“RRL”).

B. Type of the combination

3. The proposed combination relates to the acquisition by HFL of the Dairy Business¹ of RRL (“Dairy Undertaking”), as a going concern, by way of a slump sale (“Proposed Transaction”).
4. The Proposed Transaction amounts to a combination under Section 5(a) of the Competition Act, 2002 (as amended).

C. Area of activity of the Parties to the Combination

¹ The Dairy Business of RRL is defined in Annexure 2 of the BTA as RRL's business of procuring, processing/ manufacturing, and sales and distribution of dairy products in India (excluding its business relating to procurement, distribution, sale and / or trading of dairy products of third parties) and comprises the following:

- (i) Business Contracts;
- (ii) the Intellectual Property;
- (iii) Current Assets, Current Liabilities and Non-Current Assets in relation to Dairy Business; and
- (iv) Dairy Employees.

HFL

5. HFL was founded in the year 1992 and is one of the fastest growing private sector enterprises in India, with six business divisions viz., dairy, retail, agri, bakery, renewable energy and VetCa. HFL has 113,500 retail outlets in the States of Telangana, Andhra Pradesh, Karnataka, Kerala, Tamil Nadu, Maharashtra, Odisha, Haryana and Delhi and 123 Heritage Fresh retail stores across Hyderabad, Chennai and Bangalore. Integrated Agri operations are in Chittoor in Andhra Pradesh and Medak in Telangana and these are the sourcing arms of HFL's retail business. HFL has a bakery production facility in Hyderabad. HFL also owns one solar (2.34 MW) and two wind (4.2 MW) power projects for captive consumption of its dairy factories.

RRL

6. RRL is a subsidiary of Reliance Industries Limited and is one of the largest organized retail players in India. RRL has 3,000 plus stores (all formats) across 371 cities with approximately 12.8 million square feet of trading space. The Dairy Business of RRL is a business division of RRL and is a pan-India dairy procurement, processing/ manufacturing and sales and distribution platform. The Dairy Business of RRL operates under two brands, namely, 'Dairy Life' and 'Dairy Pure'. It has been operational since 2007 and currently procures 2.40 lakh liters of milk every day from 2,820 villages in 9 states.

D. Relevant market(s) to which the combination relates

7. At the broadest level, the relevant product market for the Proposed Transaction will be the market for dairy products (i.e., milk and milk related products).
8. However, the relevant market for dairy products can be further divided into (a) the market for short-term consumption dairy products (i.e. milk and milk related products), within the State boundaries of Andhra Pradesh, Maharashtra, Delhi-NCR, Karnataka, Telangana, Tamil Nadu and Haryana (“**Relevant Market for Perishable Products**”); and (b) the market for long-term consumption dairy products (i.e. ghee, dairy whitener and skimmed milk powder) in the entire territory of India (“**Relevant Market for Non-Perishable Products**”).
