

Part V: Summary of the combination

Summary under regulation 13(1)(B)

A. Name of the Parties to the Combination

- (i) VBL (Acquirer); and
- (ii) PepsiCo (Seller)

B. Type of the Combination

The Acquirer wishes to acquire 9 manufacturing plants and franchise rights for 7 states and 5 union territories to VBL as a business undertaking, for the States of (i) Gujarat, (ii) parts of Maharashtra, (iii) parts of Karnataka, (iv) Telangana, (v) parts of Andhra Pradesh, (vi) Tamil Nadu, (vii) Kerala and union territories of (viii) Puducherry, (ix) Dadra and Nagar Haveli, (x) Daman & Diu, (xi) Lakshadweep, (xii) Andaman & Nicobar Islands from the Seller, as a going concern on a slump-sale basis for a lump-sum consideration. Under the Proposed Transaction, the Seller is selling its bottling operations to VBL which is an existing franchisee bottler in certain territories and will also operate in these new territories as a franchisee of PepsiCo on the same terms

and conditions and therefore the Applicant believes that there will be no change in the competitive scenario in the market. VBL is merely expanding its bottling activities for PepsiCo beverages to territories which were earlier operated by PepsiCo and post this Proposed Transaction these operations will now operate under VBL.

C. The area of activity of the parties to the Combination

- (i) Acquirer is a franchisee of PepsiCo and manufactures, distribute, sells, and markets beverage products of PepsiCo under PepsiCo Brands in certain territories of India. It manufactures, distributes, sells, and markets NABs under the PepsiCo Brands which consist of both, CSDs, such as cola, soda, clear lime, cloudy, etc. and non-CSDs such as packaged water, juices, juice based drinks and ready to serve beverages etc.

- (ii) Seller, is an Indian subsidiary of PepsiCo Inc. a corporation incorporated in the United States of America with its offices in Purchase, State of New York, United States of America, which owns various trademarks/brands. PepsiCo is in the business of marketing, manufacturing, distributing and selling of carbonated

beverages, concentrate syrup mix and food products. The beverage portfolio of PepsiCo in India includes Pepsi, Diet Pepsi, Pepsi Max, Pepsi Black, Mirinda Orange, Mirinda Lemon, 7UP, Nimbooz, Mountain Dew, Tropicana Slice, Evervess soda, Aquafina, 7UP Nimbooz Masala Soda, Sting, 7UP Revive, Tropicana Frutz, Duke's, Tropicana, Gatorade, Quaker Oats Milk, Lipton Ice Tea. and food portfolio comprising of Lay's, Doritos, Cheetos, Kurkure, Uncle Chipps etc. PepsiCo also manufactures and markets CSDs and non-CSDs under various PepsiCo Brands through its own bottling facilities in certain territories of India.

D. The relevant markets to which the Combination relates along-with an electronic version thereof shall be separately given, while delivering the notice under sub-regulation(1)

A precise definition of the relevant market cannot be clearly established in this case. However, if the Hon'ble Commission deems it fit, it may consider to define the relevant market as:

1. CSD in Southern region
2. Non-CSD in Southern region

3. CSD in Western region
4. Non-CSD in Western region

Signed by or on behalf of the notifying party

Signature(s)

Name: Raj Pal Gandhi

Designation: Director

Date: 18 February, 2019

ABBREVIATIONS

Act	The Competition Act, 2002
Acquirer / VBL	Varun Beverages Limited
BTA	Business Transfer Agreement
CCI	The Competition Commission of India
Combination Regulations	The Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011
Commission	The Competition Commission of India
CSD	Carbonated Soft Drinks
NAB	Non Alcoholic Beverages which is CSD + non-CSD
PepsiCo / Seller	PepsiCo India Holdings Private Limited