



सत्यमेव जयते



**COMPETITION COMMISSION OF INDIA**  
(Combination Registration No. C-2021/06/843)

21<sup>st</sup> June 2021

**Notice under Section 6(2) of the Competition Act, 2002 given by Heineken International B.V.**

**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 7<sup>th</sup> June 2021, the Competition Commission of India (**‘Commission’**) received a notice under Section 6(2) of the Competition Act, 2002 (**‘Act’**), given by Heineken International B.V. (**‘HIBV’** / **‘Acquirer’**). The notice was filed pursuant to the Board Resolution passed by the Executive Board of Directors of Heineken N.V., flagship company of the Heineken Group, dated 26<sup>th</sup> May 2021.
2. The proposed combination involves the acquisition of (i) up to a maximum of approximately 16.40 percent shareholding of United Breweries Limited (**‘UBL’**) by HIBV, an investment holding company in the group of companies held by Heineken N.V. (**‘Heineken Group’**), which shall be an addition to 46.53 percent shareholding of UBL already held by the Heineken Group; and/or (ii) sole control in UBL by Heineken Group,



subject to certain scenarios. [Hereinafter, HIBV and UBL are collectively referred to as “Parties”.]

3. Subsequent to the filing of the Notice, the Acquirer submitted additional information/clarifications by way of voluntary submissions dated 8<sup>th</sup> June 2021, 14<sup>th</sup> June 2021, 16<sup>th</sup> June 2021 and 17<sup>th</sup> June 2021.
4. HIBV, as stated above, is an investment holding company belonging to the Heineken Group. HIBV is itself not engaged in any business activity and is a direct/indirect shareholder for all non-Dutch companies that form part of the Heineken Group. The Heineken Group consists of an international group of companies engaged in the production, manufacture, packaging, distribution, marketing and sale of beer, nonalcoholic beer, cider and cider-based beverages, and a range of other beverages.
5. UBL is a public limited company incorporated under the provisions of the Companies Act, 1956 and is listed on the BSE Limited and the National Stock Exchange of India Limited. It is a joint venture between the Heineken Group and the VJM Group<sup>1</sup> and is under joint control of Heineken Group and the VJM Group. UBL is engaged in the manufacture, distribution and sale of beer in India.
6. The Commission observed that the Proposed Combination involves a change from the existing joint control of the Heineken group and the VJM Group to sole control of the Heineken Group over UBL. In cases involving change from joint to sole control, the extent to which the parties competed with each other prior to change in control is primarily considered relevant for competition assessment.

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<sup>1</sup> The VJM Group includes Dr. Vijay Mallya (VJM), members of VJM’s family and the following entities: Kamsco Industries Private Limited, Gem Investment and Trading Company Private Limited, Mallya Private Limited, McDowell Holdings Limited, United Breweries (Holdings) Limited, Pharma Trading Company Private Limited, Vittal Investments Private Limited, Devi Investments Private Limited, and UB Overseas Limited.



7. Considering the details of activities of the Heineken Group and UBL as submitted by the Acquirer, the Commission noted that the Heineken Group is primarily selling its beers in India through UBL by way of Agreements and does not directly manufacture and sell beer in India, which implies a lack of direct and independent presence of the Heineken Group in India in the larger beer segment. Accordingly, the Proposed Combination is not likely to alter the competition dynamics in any relevant market that could have been delineated relating to the larger segment of manufacture and sale of beer in India.
8. However, the Commission observed that Heineken Group is engaged in export sales to India in the duty-free segment through two modes: (i) export sales to local distributors for onward retail sale at duty-free outlets (through Heineken Asia Pacific Pte Ltd., a Singapore entity under the Heineken Group); and (ii) export sales to airline customers in India, and accordingly, has direct and independent presence in the duty-free segment. However, the extent of presence of the Heineken Group in this segment is not significant to cause any change in competition dynamics.
9. The Commission also assessed the Proposed Combination for any likelihood of foreclosure of other manufacturers who may have any arrangements with UBL for manufacture/sale of beer resulting from change in control of UBL. In this regard, it is noted that UBL does not have any agreement(s)/arrangement(s) for manufacture or sale of beer with any other domestic or international beer company, apart from the Agreements with the Heineken Group in India. Accordingly, the Proposed Combination is not likely to result in any harm to competition from this perspective as well.
10. Considering the material on record, including the details provided in the Notice and the assessment of the Proposed Combination based on the factors stated in Section 20(4) of the Act, the Commission is of the opinion that the Proposed Combination is not likely to have any appreciable adverse effect on competition in India. Therefore, the Commission approves the Proposed Combination under Section 31(1) of the Act.



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