

Summary of the Proposed Combination

[In terms of Regulations 13 (1A) 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. The names of the parties to the combination are:

(a) MCPI Private Limited (“**MCPI**”); and

(b) Garden Silk Mills Limited (“**GSML**”)

MCPI and GSML are collectively referred to as “**Parties**”.

B. The nature and purpose of the combination

2. The proposed combination is structured as a share acquisition whereby MCPI will acquire GSML through its wholly owned subsidiary, MCPI Polyester, by way of the Corporate Insolvency Resolution Process (“**CIRP**”) under the Insolvency and Bankruptcy Code, 2016 (“**IBC**”). (“**Proposed Combination**”)

3. The proposed combination is in the nature of an acquisition and is notifiable under Section 5(a)(i)(A) of the Competition Act, 2002.

4. The Proposed Combination is proposed to be undertaken pursuant to the CIRP under the IBC, 2016. GSML is facing operational/ financial difficulties resulting in its inability to repay a significant debt owed to the creditors and by way of the Proposed Combination, MCPI will be able to repay the outstanding debts owed to the creditors of GSML, thereby preventing its liquidation and keeping the economic momentum steady.

C. The products, services and business(es) of the Parties to the combination

MCPI

5. MCPI is engaged in the business of manufacturing and supply of Purified Terephthalic Acid (or, PTA).

GSML

6. GSML is a publicly listed company in India with its registered office in Surat, Gujarat. It is a man-made fibre based textile company and is a manufacturer of polyester yarn and textile products.
7. GSML is vertically integrated and is engaged in production and sales of the following products: (i) Polyethylene Terephthalate Chips (or, PET Chips); and (ii) Polyester Yarn (or, PFY).

D. The respective markets in which the parties to the combination operate

8. Given that the Proposed Combination is being contemplated pursuant to the CIRP initiated against GSML, it will be pro-competitive and will not cause any appreciable adverse effect on competition in any of the relevant markets in India.
9. In order to aid the Competition Commission of India in its assessment of the Proposed Combination and in consonance with its decisional practice, the Parties have delineated the relevant markets, as follows:

(i) *Upstream Relevant Market*

Market for manufacturing and sale of PTA in India.

(ii) ***Downstream Relevant Markets***

a) Broad Downstream Relevant Market: Market for manufacturing and sale of polyester in India.

b) Narrow Downstream Relevant Markets:

- i. Market for manufacturing and sale of PFY in India; and
- ii. Market for manufacturing and sale of PET Chips in India.
