

COMPETITION COMMISSION OF INDIA

30th September, 2011

Combination Registration No. C-2011/09/04

Order under section 31(1) of the Competition Act, 2002

1. On 7th September, 2011, the Competition Commission of India (hereinafter referred to as “**Commission**”), received a notice from Aica Kogyo Company Limited (hereinafter referred to as “**AICA Japan**”) and Aica Laminates India Private Limited (hereinafter referred to as “**AICA India**”) {hereinafter collectively referred to as **Acquirer(s)**}, under sub-section (2) of Section 6 of the Competition Act, 2002 (hereinafter referred to as “**Act**”).
2. The notice relates to a proposed combination, by which AICA Japan proposes to acquire, through its wholly owned subsidiary, AICA India, the Laminates Division (i.e. Sunmica Division) of the Bombay Burmah Trading Corporation Limited (hereinafter referred to as “**BBTCL**”).
3. The notice was filed by the Acquirer(s) pursuant to entering into a Business Transfer Agreement (hereinafter referred to as “**Agreement**”), dated 10th August, 2011, by and amongst the Acquirer(s) and BBTCL. As per the details provided in the notice under sub-section (2) of Section 6 of the Act, the proposed combination relates to the acquisition by the Acquirer(s) of the Laminates Division (i.e. Sunmica Division) of BBTCL, as a going concern, on a slump sale basis.
4. In terms of Regulation 14 of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 (hereinafter referred to as “**Combination Regulations**”), the Acquirer(s) were asked on 14th September, 2011 to furnish the required information and reassess the requirement of filling up the Part II of Form I by 21st September, 2011, as the surfacing/decorative laminates manufactured by AICA Japan and those manufactured by BBTCL appeared to be similar products. The Acquirer(s) requested the Commission to grant an extension of two days in filing the reply which was accordingly accepted. The Acquirer(s) furnished the required information/document(s) along with the duly filled Part II of Form I on 22nd September, 2011.
5. AICA Japan, a company incorporated in Japan, is engaged in the manufacture of materials, design and technology in a range of business fields including (i) chemical products such as synthetic resin adhesives, jolypate interior and exterior finishing



material and jolyace poured flooring, and (ii) architectural products, specifically high pressure laminated sheets and non-flammable laminated sheets, in a wide range of colours, patterns and textures. AICA Japan specializes in melamine laminated sheets used in both the architectural and interior design market. It also manufactures decorative sheets and plywood products with functions including resistance to flame, bacteria and electrostatic charge.

6. It has been further stated that AICA Japan does not manufacture or sell any of its products in India, does not export any of its products to India and is not engaged in any activity that either competes with or is vertically related to the business proposed to be acquired by way of the proposed combination.
7. AICA India is a recently established wholly owned subsidiary of AICA Japan, incorporated under the provisions of the Companies Act, 1956, for the purpose of the proposed transaction. AICA India currently does not have any business operations in India and does not produce, manufacture or sell any of its or AICA Japan's products in India.
8. As per the information provided in the notice, BBTCL is engaged in the businesses of plantation, industrial products, health care products etc. Amongst the many businesses, BBTCL, through its Laminates Division (i.e. Sunmica Division) is active in the manufacture of laminated sheets in India. The Laminates Division (i.e. Sunmica Division) of BBTCL manufactures two categories of phenolic laminate, viz. surfacing/decorative laminates and industrial laminates.
9. As regards the laminates business, it has been stated in the notice that AICA Japan does not manufacture industrial laminates. While the Laminates Division (i.e. Sunmica Division) of BBTCL and AICA Japan both produce surfacing/decorative laminates which may be considered similar, however, there are differences between them in terms of technical specifications, quality of products, pricing etc.
10. AICA Japan has no direct or indirect presence in India, and is also not engaged in any activity in India, that either competes with or is vertically related to any business proposed to be acquired by way of the proposed transaction.
11. It is observed that the surfacing/decorative laminates business in India is highly fragmented and competitive with the presence of a large number of players. The share of the Laminates Division (i.e. Sunmica Division) of BBTCL in the surfacing/decorative laminates business in India is insignificant. The business of surfacing/decorative laminates in India is characterised by an almost equal share of both branded and unbranded products. Given the presence of a large number of players with fragmented market shares in the surfacing/decorative laminates business in India, the proposed combination is not likely to have an appreciable adverse effect on competition in India.



12. Considering the facts on record and the details provided in the notice given under sub-section (2) of Section 6 of the Act and the assessment of the proposed combination, the Commission is of the opinion that the proposed combination is not likely to have an appreciable adverse effect on competition in India and therefore, the Commission hereby approves the proposed combination under sub-section (1) of the Section 31 of the Act.
13. This approval is without prejudice to any other legal/statutory obligations as applicable.
14. This order shall stand revoked if, at any time, the information provided by the Acquirer(s) is found to be incorrect.
15. The Secretary is directed to communicate to the Acquirer(s) accordingly.



Certified True Copy

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30/9/11
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New Delhi