



Fair Competition
For Greater Good

COMPETITION COMMISSION OF INDIA

(Combination Registration No. C-2014/07/189)

13.08.2014

Notice under Section 6 (2) of the Competition Act, 2002 given by Meiji Seika Pharma Co., Ltd.

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

1. On 9th July 2014, the Competition Commission of India (hereinafter referred to as the '**Commission**') received a notice under Section 6(2) of the Competition Act, 2002 (hereinafter referred to as the '**Act**'), given by Meiji Seika Pharma Co., Ltd. (hereinafter referred to as '**Meiji Seika**' or '**the Acquirer**'), for the proposed acquisition of hundred percent share capital of Medreich Limited ('**Medreich**'), by Meiji Seika.
2. Meiji Seika, a subsidiary of Meiji Holdings Co., Ltd., incorporated under the laws of Japan is *inter-alia* engaged in manufacture and sale of ethical pharmaceuticals, agricultural chemicals and veterinary drugs. Medreich, incorporated in India, under the provisions of the Companies Act, 1956, is an integrated pharmaceutical company with presence across the globe. Medreich is involved in manufacturing and marketing of a range of pharmaceutical preparations in diverse therapeutic categories.
3. As stated above, the proposed combination is regarding hundred percent acquisition of the share capital of Medreich by Meiji Seika, on a fully diluted basis, based on execution of five Share Purchase Agreements ('**SPAs**'), on 11th June 2014.
4. In terms of Regulation 14 of the Competition Commission of India (Procedure in regard to transaction of business relating to combinations) Regulations, 2011 (hereinafter referred to as '**Combination Regulations**'), vide letter dated 14th July 2014, the Acquirer was required to remove defects and furnish certain information/document(s) by 23rd July 2014. The Acquirer filed its response on 23rd July 2014.



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5. As per the information provided in the notice, Meiji Seika had negligible sales of pharmaceutical products in India in the last three financial years and none of the products exported by Meiji Seika to India during this period were supplied to Medreich or any of its subsidiaries. Further, as stated in the notice, although Meiji Seika sources certain raw materials from India but these have not been supplied by Medreich or any of its subsidiaries in the last ten years. Meiji Holdings Co., Ltd. has also a subsidiary in India, namely Meiji India Pvt. Ltd. which is however, engaged in the food business and does not operate any pharmaceutical business, in India. None of the parties to the combination is stated to be currently engaged in any activity that is vertically related to the activity carried on by the other party in India. Further, as stated in the notice, Medreich is primarily an exporter of pharmaceutical products and around eighty percent of its revenues accrue from the exports and the rest from the domestic sales.
6. 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 combination after considering the relevant factors mentioned in sub-section (4) of Section 20 of the Act, 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 Section 31 of the Act.
7. This approval is without prejudice to any other legal/statutory obligations as applicable.
8. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.
9. The Secretary is directed to communicate to the Acquirer accordingly.