



Fair Competition
For Greater Good

COMPETITION COMMISSION OF INDIA
(Combination Registration No.C-2016/03/384)

11th May 2016

**Notice given by Future Consumer Enterprise Limited pursuant to an inquiry
under sub-section (1) of Section 20 of the Competition Act, 2002**

CORAM

Devender Kumar Sikri
Chairperson

S. L. Bunker
Member

Sudhir Mital
Member

U. C. Nahta
Member

M.S. Sahoo
Member

G. P. Mittal
Member

Legal Representatives of the parties: Shardul Amarchand Mangaldas & Co.

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

1. On 21st March 2016, the Competition Commission of India (“**Commission**”) received a notice filed by Future Consumer Enterprise Limited (“**FCEL**” or “**Acquirer**”). The notice was filed pursuant to the initiation of inquiry by the Commission under Section 20(1) of the Competition Act, 2002 (“**Act**”). The combination pertains to the acquisition of consumer products division business (“**CPD Business**”) of Grasim Industries Limited (“**Grasim**”).
2. For the purpose of the proposed combination, FCEL and Grasim entered into a Business Transfer Agreement (“**BTA**”) on 22nd May 2015. (Hereinafter, FCEL and Grasim are collectively referred to as “**Parties**”).



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3. The combination, being an acquisition, has been filed under Section 5(a) of the Act.
4. FCEL, a listed company incorporated under the Companies Act, 1956, is a part of Future Group. It is engaged in the business of, *inter alia*, marketing and distribution of fast moving consumer goods (“**FMCG**”), food and grocery products, in India.
5. Grasim, a listed company incorporated under the Companies Act, 1956, is the flagship company of the Aditya Birla Group. It is a diversified conglomerate engaged in, *inter alia*, business of manufacturing viscose staple fibre (“**VSF**”), pulp, chemicals, textiles and cement. As part of its CPD Business, Grasim is engaged in the manufacturing and distribution of skin wipes, baby wipes and other products under the brands such as Kara, Puretta, Handys and Prim.
6. As aforementioned, the combination relates to the CPD Business, which is a segment of the overall FMCG industry in India. The Parties are engaged in the manufacture and sale of skin care, baby care and home care wet wipes, and hand sanitizers which forms part of the larger sector of the consumer products being directly supplied to the consumers.
7. In relation to horizontal overlap, based on the submissions of the Acquirer, the Commission observed that the market shares of the Parties are insignificant and there are other significant players in the CPD Business like Johnson & Johnson Private Limited, Kimberly Clark Lever Private Limited, 3M India Limited etc. which would provide competitive constraint to the Parties.
8. As regards vertical relationship, it has been submitted that there exists contractual manufacturing agreement between the parties. However, the said agreement is unlikely to raise any competition concern as the combined market share of the Parties in the CPD Business is insignificant.
9. The Commission also observed that the Acquirer had acquired the CPD Business of Grasim *vide* BTA dated 22nd May 2015 without giving notice in accordance with sub-section (2) of Section 6 of the Act.



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10. Considering the facts on record and the details provided in the notice given under sub-section (2) of Section 6 of the Act and assessment of the proposed combination on the basis of factors stated 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 appreciable adverse effect on competition in India and therefore, the Commission, hereby, approves the same under sub-section (1) of Section 31 of the Act.
11. This order is, however, issued without prejudice to the proceedings under Section 43A of the Act.
12. The order shall stand revoked if, at any time, the information provided by the Parties is found to be incorrect.
13. The Secretary is directed to communicate to the Parties accordingly.