



सत्यमेव जयते



Fair Competition
For Greater Good

COMPETITION COMMISSION OF INDIA

(Combination Registration No. C-2018/11/612)

6th December, 2018

**Notice under Section 6 (2) of the Competition Act, 2002 filed by
Zydus Wellness Ltd. and Cadila Healthcare Ltd.**

CORAM:

Mr. Ashok Kumar Gupta
Chairperson

Mr. Augustine Peter
Member

Mr. U.C. Nahta
Member

Legal Representative: Khaitan & Co.

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

1. On 2nd November, 2018, the Competition Commission of India (“**Commission**”) received a notice under Section 6(2) of the Competition Act, 2002 (“**Act**”), filed by Zydus Wellness Ltd. (“**Zydus**”) and Cadila Healthcare Ltd. (“**Cadila**”) (hereinafter, Zydus and Cadila are collectively referred to as “**Acquirers**”) pursuant to execution of Share Purchase Agreement (“**SPA**”) dated 24th October, 2018 entered into by and among Heinz Italia (“**Heinz Italia**”), H. J. Heinz European Holding BV (“**Heinz Europe**”), Zydus, Cadila and Heinz India Private Limited (“**Heinz India**”).
2. The proposed combination relates to acquisition of 100 percent shareholding of Heinz India from Heinz Italia and Heinz Europe by Zydus / Cadila. By way of the proposed combination, Zydus / Cadila would acquire businesses relating to four brands, namely, Glucon-D, Nycil, Sampriti Ghee and Complian (“**Target Business**”). The Acquirers, as on date, have not yet decided as to who amongst them will acquire the



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Target Business, Zydus or Cadila. Both Zydus and Cadila are stated to belong to the Zydus Family Trust group.

3. Heinz India belongs to the Kraft Heinz Group and manufactures food and other products, including tomato ketchup, energy drinks, ghee *etc.*, through brands such as Complian, Glucon-D, Nycil, and Sampriti Ghee *etc.* It has been submitted that, prior to the said acquisition, a new company will be incorporated by Heinz Italia or its affiliates that will enter into a Business Transfer Agreement with Heinz India, to acquire all the assets, facilities, employees, contracts, IP, *etc.*, that are not related to the Target Business. Therefore, by acquiring 100 percent shareholding of Heinz India, Zydus / Cadila would acquire businesses relating to four brands, namely, Glucon-D, Nycil, Sampriti Ghee and Complian (*i.e.* the Target Business).
4. Zydus, a public limited company, operates in the consumer products segment with products ranging from healthy fat spreads, personal care to sugar substitutes. Cadila, is stated to be engaged in the business of pharmaceutical formulations, biologics, *etc.*
5. The Commission noted that the Acquirers and the Target Business do not produce/provide similar or identical or substitutable products or services and are not engaged in any activity relating to the production, supply, distribution, storage, sale and service or trade in products or provision of services which is at different stages or levels of the production chain in India. Therefore, the Commission is of the view that there are no horizontal overlap or vertical relationship between the business activities of the Acquirers and the Target Business.
6. Considering the facts on record, 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 an 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.
7. This order shall stand revoked if, at any time, the information provided by the Acquirers is found to be incorrect.



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8. The information provided by the Acquirers shall be treated as confidential in terms of and subject to provisions of Section 57 of the Act.
9. The Secretary is directed to communicate to the Acquirers accordingly.