



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2017/02/485)



22.03.2017

Notice under Section 6 (2) of the Competition Act, 2002 given by ITC Limited pursuant to an inquiry under sub-section (1) of Section 20 of the Competition Act, 2002

CORAM:

Mr. Devender Kumar Sikri

Chairperson

Mr. S. L. Bunker

Member

Mr. Sudhir Mital

Member

Mr. U. C. Nahta

Member

Mr. G. P. Mittal

Member

Legal representatives: Luthra & Luthra

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

1. On 16.02.2017, the Competition Commission of India (“Commission”) received a notice in Form I given by ITC Limited (“**Acquirer**”), pursuant to the direction issued by the Commission under Regulation 8 of the Competition Commission of India



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(Procedure in regard to transaction of business relating to combinations) Regulations, 2011 (“**Combination Regulations**”) read with subsection (1) of Section 20 of the Competition Act, 2002 (“**Act**”).

2. On 12.02.2015, the Acquirer entered into two separate Asset Purchase Agreements with: (a) Johnson and Johnson Private Limited (“**Johnson & Johnson India**”) for acquisition of brand, know how inventory, molds etc. related to ‘Savlon’ (hereinafter “**Savlon Agreement**”); and (b) Johnson and Johnson Pte Limited “**Johnson & Johnson Singapore**”) for acquisition of brand, know how, regulatory information, advertisement and promotional material etc. related to ‘Shower to Shower’ (hereinafter, “**Shower to Shower Agreement**”) (hereinafter, “**Combination**”). Johnson & Johnson India and Johnson & Johnson Singapore are collectively referred to as the “**Sellers**”.
3. The Acquirer is a multi-business enterprise headquartered in Kolkata. It is engaged in five primary business segments, namely, a) Fast Moving Consumer Goods (FMCG); (b) Hotels; (c) Paperboards and specialty paper; d) Packaging; and (e) Agri-business.
4. The Sellers are the subsidiaries of Johnson & Johnson Inc., which is headquartered in New Jersey, United States. Johnson & Johnson Inc. is engaged in three primary business segments: a) Consumer products; b) Pharmaceuticals; and (c) Medical Devices. In India, it is present through Johnson & Johnson India, which is also engaged in the aforesaid three business segments. Johnson & Johnson Singapore operates as a subsidiary of Johnson & Johnson Inc. in Singapore. It manufactures consumer healthcare products. It is stated to have no presence in India. It is submitted that in India, Shower to Shower brand was used by Johnson and Johnson India.
5. Based on the submissions of the Acquirer, the Commission observed that the Acquirer acquired Savlon brand (for antiseptic liquid and soap/handwash) and



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Shower to Shower brand (for prickly heat powder) to enhance its product portfolio. The Commission noted that the Acquirer was not engaged in the business of manufacturing antiseptic liquid or antiseptic soap/handwash or prickly heat powder or any other similar or identical products at the time of entering into the Savlon Agreement and Shower to shower Agreement.

6. Given the minuscule presence of Sellers in the market for antiseptic liquid, soap/handwash, and prickly heat powder and presence of large players like Reckitt Benckiser, Hindustan Unilever etc. the Commission decided that the exact delineation of the relevant markets may be left open.
7. With regard to the horizontal overlap, the Commission noted that there were no overlaps among the Acquirer and the Sellers to raise any competition concern. The Commission further noted that the market for antiseptic liquid is dominated by Reckitt Benckiser with market share in the range of [85-90] percent in the financial year 2013-14. Similarly, the market for antiseptic soap/ hand wash is characterised by the presence of major players like Hindustan Unilever and Reckitt Benckiser having market share in the range of [45-50] percent each. With respect to the market of prickly heat powders, the Commission observed that Reckitt Benckiser, Heinz and Emami account for market shares in the range of [30-35] percent, [20-25] percent and [10-15] percent, respectively.
8. As regards vertical relationships, the Commission observed that there is no vertical arrangements among the Acquirer and the Sellers to cause any appreciable adverse effect on competition.
9. Considering facts on record, details provided in the notice given under sub-section (2) of Section 6 of the Act and assessment 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



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competition in India and therefore, the Commission hereby approves the same under sub-section (1) of Section 31 of the Act.

10. This order is issued without prejudice to the proceedings under Section 43A of the Act.
11. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.
12. The information provided by the Acquirer is confidential at this stage, in terms of and subject to the provisions of Section 57 of the Act.
13. The Secretary is directed to communicate to the Acquirer accordingly.