



05.10.2016

Notice u/s 6 (2) of the Competition Act, 2002 given by RPG Life Sciences Limited

CORAM:

Mr. S. L. Bunker
Member

Mr. Sudhir Mital
Member

Mr. Augustine Peter
Member

Mr. G.P.Mittal
Member

Legal Representatives of the parties: Khaitan & Co

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

1. On 03.08.2016, the Competition Commission of India (hereinafter referred to as the “**Commission**”) received a notice under sub-section (2) of Section 6 of the Competition Act, 2002 (“**Act**”) given by RPG Life Sciences Limited (“**RPGLS**”/ “**Acquirer**”). The said notice was given pursuant to the execution of Asset Purchase Agreement between Sun Pharmaceutical Industries Limited (“**SPIL**”) and RPGLS on 27.07. 2016.
2. The proposed combination envisages acquisition of certain Assigned Brands and corresponding Assigned Products along with the associated trademarks, goodwill, etc. by RPGLS from SPIL and Sun Pharma Laboratories Limited (“**SPLL**”). Further, SPIL intends to grant an exclusive, perpetual, royalty-free license with a right to grant sublicenses to RPGLS, with respect to the territory of India, for the SPIL licensed brand and corresponding Licensed Products (“**Proposed**



Combination”) (hereinafter RPGLS, SPIL and SPLL are collectively referred to as the **“Parties”**).

3. In terms of Regulation 14 of the Competition Commission of India (Procedure in regard to transaction of business relating to combinations) Regulations, 2011 (**“Combination Regulations”**), vide letter dated 24.08.2016, the Acquirer was required to furnish certain information regarding structure of the combination and market shares of the Parties. The Acquirers filed its response on 29.08.2016.
4. RPGLS, a part of RPG Group, is a public limited company listed on Bombay Stock Exchange (**“BSE”**) and National Stock Exchange (**“NSE”**). It manufactures and sells branded formulations, global generics formulations and active pharmaceutical ingredients (**“APIs”**). RPGLS does not have any subsidiaries or joint-venture(s).
5. SPIL, a public limited company listed on BSE and NSE, is engaged in manufacture and sales of APIs and a variety of pharmaceutical formulations in India, the United States of America and several other markets across the world. The products manufactured by SPIL can be broadly segmented into the three categories viz. Formulations, APIs and Over The Counter (**“OTC”**).
6. SPLL, which is a wholly owned subsidiary of SPIL, along with its wholly owned subsidiary Universal Enterprises Private Limited, is engaged in manufacturing and marketing of pharmaceutical products in India.
7. The Commission noted that although there is a horizontal overlap between the activities of the Parties at the molecule level, in the market for Montelukast+Levocetirizine | R6A42, the combined market shares of the Parties in the relevant market is insignificant to raise any competition concerns. The Commission further noted that there are several entities like Cipla Limited, Lupin Limited, Mankind Pharmaceuticals Limited and Fourrts India Laboratories Private Limited present in the relevant market that would continue to pose competition to RPGLS.



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2016/08/419)



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8. The Commission observed that there are no vertical overlaps or vertical relationships between the products currently manufactured by RPGLS and the products being acquired from SPIL and SPLL.
9. 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 AAEC in India in the relevant market for Montelukast+Levocetirizine | R6A42 and therefore, the Commission hereby approves the same under sub-section (1) of section 31 of the Act.
10. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.
11. The information provided by the Acquirer is confidential at this stage in terms of and subject to provisions of Section 57 of the Act.
12. The Secretary is directed to communicate to the Acquirer accordingly.