



## COMPETITION COMMISSION OF INDIA

(Combination Registration No. C-2014/05/179)

3.7.2014

### Notice u/s 6 (2) of the Competition Act, 2002 given by Bluewater Investment Limited

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

1. On 30<sup>th</sup> May 2014, the Competition Commission of India ('Commission') received a notice under sub-section (2) of Section 6 of the Competition Act, 2002, by Bluewater Investment Limited ('Bluewater' or Acquirer). The notice has been filed pursuant to the Share Purchase Agreements and an Investment Agreement executed among Laurus Labs Private Limited ('Laurus'), Bluewater and certain other existing shareholders on 2<sup>nd</sup> May, 2014.
2. The proposed combination relates to acquisition of 32.29 per cent of share capital of Laurus on a fully diluted basis by Bluewater by way of subscription of compulsorily convertible preference shares of Laurus and acquisition of fully paid up equity shares/ preference shares from certain existing shareholders of Laurus. The proposed combination falls under Section 5(a) of the Act.
3. Bluewater, is an investment holding company incorporated under the laws of Mauritius belongs to the Warburg Pincus ('Warburg'), a global private equity group which focuses on investing in portfolio companies across a broad spectrum of industries and geographies. Laurus incorporated under the Companies Act, 1956 is primarily engaged in the business of research, development and manufacture of active pharmaceutical ingredients ('APIs'). It is also directly or indirectly *inter-alia* engaged in research, development and manufacture of specialty chemicals, intermediate products, nutraceuticals and provision of contract research services. As per the information in the notice and other documents provided by the parties, more than ninety per cent of the turnover of Laurus is from the sales of APIs that are exported to formulators in



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other countries or sold to formulators within India who in turn export the products to other countries.

4. 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 6<sup>th</sup> June, 2014, the Acquirer was required to remove certain defects and provide information/document(s) latest by 16<sup>th</sup> June, 2014. The Acquirer submitted their final reply vide letter dated 16<sup>th</sup> June, 2014.
5. Bluewater is an investment company and as stated in the notice, none of the portfolio companies of Warburg in India are engaged in production of APIs or have any vertical relationship with Laurus in India. Therefore, the proposed combination is not likely to raise any competition concern in India.
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 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 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.

(Ashok Chawla)  
Chairperson



## COMPETITION COMMISSION OF INDIA



(Anurag Goel)  
Member

(M. L. Tayal)  
Member

(S. L. Bunker)  
Member

(Sudhir Mital)  
Member

(Augustine Peter)  
Member