



## COMPETITION COMMISSION OF INDIA

(Combination Registration No. C-2014/06/184)



02.09.2014

**Notice u/s 6 (2) of the Competition Act, 2002 (“the Act”) given by Dunearn Investments (Mauritius) Pte. Ltd.**

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

1. On 23<sup>rd</sup> June 2014, the Competition Commission of India (hereinafter referred to as the “**Commission**”) received a notice under sub-section (2) of Section 6 of the Act, given by Dunearn Investments (Mauritius) Pte. Ltd. (“**Dunearn**” or “**Acquirer**”).
2. The proposed combination relates to acquisition of 10.16 percent of the issued, subscribed and paid-up share capital of Intas Pharmaceuticals Limited. (“**Intas**”) by Dunearn from Mozart Limited (“**Mozart**”), a wholly owned subsidiary of ChrysCapital III LLC. (hereinafter “**Dunearn**”, “**Mozart**” and “**Intas**” are together referred to as “**parties**”)
3. The notice was given pursuant to an application/communication dated 22<sup>nd</sup> May 2014, filed by Intas with the Foreign Investment Promotion Board (“**FIPB**”). As stated in the notice and other documents available on records, no definitive agreement for the proposed transaction had been executed by the parties till the date of application with the FIPB. In the notice, the Acquirer had stated that it might seek certain affirmative voting rights in its favour in the definitive agreements to be entered between the parties and accordingly, the notice was being given by them in abundant caution under sub-section (2) of Section 6 of the Act, keeping in view the proviso to sub-regulation (8) of Regulations 5 of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations (“**Combination Regulations**”).
4. Dunearn, incorporated in Mauritius is an investment holding company. It is an indirect subsidiary of Temasek Holding (Private) Limited (“**Temasek**”). Temasek is an investment company owned by the Government of Singapore. As stated in the notice as of date, Dunearn does not own any interests in the Indian pharmaceutical sector.
5. Intas, incorporated in India, is a vertically integrated pharmaceutical company with global operations.



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6. In terms of Regulations 14 of the Combination Regulations, vide letter dated 2<sup>nd</sup> July, 2014, the Acquirer was required to remove certain defects and provide information/document. The Acquirer filed its response on 9<sup>th</sup> July 2014. The Acquirer vide letter dated 21<sup>st</sup> July 2014, was again asked to remove certain defects and provide information/document. The Acquirer filed the response on 25<sup>th</sup> August 2014 after seeking two extensions.
7. The Acquirer has submitted, vide its reply dated 25<sup>th</sup> August, 2014 that the Share Purchase Agreement and the Shareholders' Agreement in relation to the proposed combination have been executed between the parties on 22<sup>nd</sup> August 2014. It is observed that pursuant to the proposed combination, Duneam would secure all the affirmative voting rights which were earlier available to Mozart. Further, as stated by the Acquirer, such rights are for the purpose of protecting the minority stake of the Acquirer in the target and would not be intended, nor likely, to result in operational control of Intas by the Acquirer, as promoters will continue to remain in its control and management.
8. As stated earlier, the Acquirer is an investment holding company and an indirect subsidiary of Temasek. As per the information provided in the notice, there are no horizontal overlaps between the products and services of Intas and the rest of the Temasek group. As stated in the notice, Temasek has some minority investment in the companies engaged in the pharmaceutical and health sector in India including Medreich Limited, a pharmaceutical company in India. However, Temasek has entered into an agreement of divestment of its shareholding in Medreich Ltd. Moreover, as per the available records and information given by the Acquirer, even in respect of the overlapping products of Intas and Medreich Ltd., the combined market share is of minimal nature. Further, as stated in the notice neither Temasek nor any of its subsidiaries, associates or joint ventures has any significant vertical linkage with any of the business activities of Intas or its subsidiaries in India.
9. Considering the facts on record and the details provided in the notice given under sub-section (2) of section 6 of the Act and the assessment of the combination after considering the relevant factors mentioned 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 proposed combination under sub-section (1) of Section 31 of the Act.
10. This approval is without prejudice to any other legal/statutory obligations as applicable.



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11. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.
12. The Secretary is directed to communicate to the Acquirer accordingly.