



## COMPETITION COMMISSION OF INDIA

(Combination Registration No. C-2015/02/250)

30<sup>th</sup> March 2015

### **Notice under section 6(2) of the Competition Act, 2002 jointly filed by MeadWestvaco Corporation and Rock-Tenn Company**

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

1. On 24<sup>th</sup> February 2015, the Competition Commission of India (**‘Commission’**) received a notice under sub-section (2) of Section 6 of the Competition Act, 2002 (**‘Act’**) jointly given by MeadWestvaco Corporation (**‘MWV’**) and Rock-Tenn Company (**‘RKT’**), pursuant to the execution of a Business Combination Agreement (**‘BCA’**), dated 25<sup>th</sup> January, 2015, between MWV and RKT. MWV and RKT are collectively referred to as the **‘Parties’**.
2. In this regard, RKT recently on 6<sup>th</sup> March 2015 incorporated Rome Milan Holdings, Inc., (**‘RMH’**), which in turn incorporated RKT Merger Sub and MWV Merger Sub, on the same date. RMH, RKT Merger Sub and MWV Merger Sub presently do not have any assets, business, or turnover and have been incorporated for the explicit purpose of the proposed combination.
3. The proposed combination is a global transaction and, as per the details provided in the notice and other documents on record, involves combination of businesses of MWV and RKT which will be achieved by the (a) merger of RKT Merger Sub with and into RKT after which the separate corporate existence of RKT Merger Sub will cease and RKT will survive as a direct wholly owned subsidiary of RMH and (b) merger of MWV with and into MWV Merger Sub after which the separate corporate existence of MWV will cease and MWV Merger Sub will survive as a direct wholly owned limited liability company of RMH. After the consummation of proposed combination, MWV shareholders will hold approximately 50.1 percent and RKT shareholders will hold approximately 49.9 percent of the common stock of RMH.



4. RKT is a company incorporated in USA. It is a leading provider of packaging solutions and manufacturer of containerboard and paperboard. It is, *inter alia*, active in Canada, Mexico, Chile and Argentina and is engaged in the following business segments: (i) corrugated packaging consisting of containerboard mills and corrugated converting operations; (ii) consumer packaging consisting of coated and uncoated paperboard mills and consumer packaging converting operations; (iii) merchandising displays and (iv) recycling. It has been submitted by the Parties that RKT does not have production facilities or any other assets in India. It is only involved in the sales of merchandising displays and corrugated boxes in India and its sales are marginal and entirely through imports.
5. MWV is also a global company incorporated in USA. It is engaged in the business of providing corrugated packaging solutions to various industries and specialty chemicals for automotive and other industries. As stated in the notice, in India, MWV operates through its two subsidiaries, namely, MWV India Private Limited and MWV India Paperboard Packaging Private Limited. MWV is, *inter alia*, engaged in the business of corrugated packaging for consumer goods, household appliance, pharmaceuticals etc., in India.
6. 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 5<sup>th</sup> March 2015, the Parties were required to remove defects and furnish certain information/document(s) by 11<sup>th</sup> March 2015. The Parties filed their response on due date. As the response was incomplete in certain aspects, vide letter dated 25<sup>th</sup> March 2015, the Parties were required to remove defects and furnish certain information/document(s) by 26<sup>th</sup> March 2015. The Parties filed their response on due date.
7. As stated above, horizontal overlap exists between the Parties in manufacture and sale of corrugated packaging, in India. However, in this regard, it is noted that RKT has only marginal sales in India and the combined market share of the Parties in the corrugated packaging business is insignificant in India.
8. Further, based on the details provided in the notice and other documents on record, it is also noted that there is no vertical relationship between the Parties, in India.



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9. Considering the facts on record and the details provided in the notice, 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 obligation as applicable.
11. This order shall stand revoked if, at any time, the information provided by the parties is found to be incorrect.
12. The Secretary is directed to communicate to the Parties accordingly.