



**COMPETITION COMMISSION OF INDIA**  
(Combination Registration No. C-2015/06/282)

29.07.2015

**Notice u/s 6 (2) of the Competition Act, 2002 given by**

- **Mitsui & Co. (Asia Pacific) Pte. Ltd.**

**Order under sub-section (1) of Section 31 of the Competition Act, 2002**

1. On 04.06.2015, the Competition Commission of India ('**Commission**') received a notice under sub-section (2) of Section 6 of the Competition Act, 2002 ('**Act**') filed by Mitsui & Co. (Asia Pacific) Pte. Ltd. ('**Mitsui Singapore**' or the '**Acquirer**'). The notice has been filed pursuant to the execution of a Shareholder's Agreement (SA) and a Share Purchase and Subscription Agreement (SPSA), *inter-alios* between Mitsui Singapore and Keimed Private Limited ('**Keimed**'), on 22.05.2015.
2. In terms of the notice, the proposed combination relates to the acquisition of 20 per cent of the equity share capital of Keimed by Mitsui Singapore to be effected through (a) purchase of equity shares from existing shareholders of Keimed; and (b) fresh subscription of shares, along with certain affirmative voting rights including voting on strategic decisions such as entering into any new lines of business/division, amendment and modification of any budget, including but not limited to annual, medium and / or long term business plans, etc., leading to acquisition of joint control over Keimed by Mitsui Singapore.
3. In terms of Regulation 14 of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 ('**Combination Regulations**'), vide letter dated 19.06.2015, the Acquirer was required to remove certain defects and provide requisite information regarding *inter alia* details of business activities of the parties to the combination and their affiliates in the pharmaceutical sector, by 22.06.2015. However, the Acquirer filed its response on 13.07.2015, after seeking extension of 21 days.



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4. Mitsui Singapore, a wholly owned subsidiary of Mitsui & Co., Ltd. (**'Mitsui'**) is stated to be a general trading company with a diversified business and investment portfolio in the Asia-Pacific region. It is engaged in various business activities including iron & steel, minerals and metal resources and marine & aerospace, etc.
5. Keimed, a private limited company, along with its subsidiaries, is stated to be engaged in the business of wholesale distribution of pharmaceutical products, healthcare and wellness products, medical consumables and surgical/hospital consumables across India.
6. It is noted from the information provided in the notice that Mitsui holds equity share capital in two Indian entities that are present in the pharmaceutical sector. Out of these, one is Claris Otsuka Private Limited (**'Claris Otsuka'**) which is stated to be engaged in manufacturing of infusion products across therapeutic segments including infusion therapy, parenteral nutrition, anti-infectives, and plasma volume expanders. Mitsui holds 20 per cent equity stake in Claris Otsuka.
7. The notice also provides that Mitsui holds 14.68 per cent equity share capital of Guardian Nutrition and Health Supplements Private Limited ("**Guardian Nutrition**") along with certain affirmative voting rights in its management. Guardian Nutrition is stated to be engaged in the wholesale distribution of medicines, over the counter drugs and fast moving consumer goods.
8. The Commission observed that there is no overlap between the businesses of Claris Otsuka and Keimed. Further, although there is a vertical relationship between the two, it is not significant enough to result in any vertical foreclosure. Furthermore, while there is a horizontal overlap between the businesses of Guardian Nutrition and Keimed, however, it is observed that approximately 90 per cent of the sales of Guardian Nutrition are made to only one customer i.e. Guardian Lifecare Private Limited and the horizontal overlap between the businesses of Guardian Nutrition and Keimed is not significant enough to raise any competition concerns.
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



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