



सत्यमेव जयते



Fair Competition
For Greater Good

COMPETITION COMMISSION OF INDIA

(Combination Registration No. C-2014/07/194)

14.08.2014

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

- Sanofi-Synthelabo (India) Limited

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

1. On 22.07.2014, 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 (hereinafter referred to as the “**Act**”) given by Sanofi-Synthelabo (India) Limited (hereinafter referred to as the “**Sanofi**” or “**Acquirer**”).
2. As per the information provided in the notice, the proposed combination relates to acquisition of equity shares in Apollo Sugar Clinics Limited (hereinafter referred to as “**ASCL**”) by Sanofi, pursuant to execution of the Shareholders’ Agreement (hereinafter referred to as ‘**SHA**’) and Share Subscription and Purchase Agreement (hereinafter referred to as ‘**SSPA**’) both entered into between Apollo Health and Lifestyle Limited (hereinafter referred to as “**AHLL**”), Sanofi and ASCL on 25.06.2014 (hereinafter SHA and SSPA are referred to as “**Agreements**”). As a result of the proposed combination, as per the agreements, Sanofi will hold 20 per cent of the total equity shareholding and exercise certain rights, in relation to management of ASCL. As stated in the notice, post combination, ASCL will be jointly controlled by Sanofi and AHLL. In addition, Sanofi will have an option to increase its shareholding in ASCL to 26 per cent which can be exercised during a certain period of time, as defined in the Agreements. Further, as stated in the notice, it is also proposed that Apollo group will transfer their operational clinics to ASCL. The proposed combination falls under Section 5(a) of the Act.



COMPETITION COMMISSION OF INDIA



3. Sanofi is a company incorporated in India. It is engaged in the business of marketing, selling and distributing pharmaceuticals products in India. Sanofi is a subsidiary of Sanofi S.A., which is a multinational pharmaceutical company headquartered in France. ASCL is a newly incorporated company in India. It is a subsidiary of AHLL, which is a part of the Apollo group, a private sector healthcare service provider in India. ASCL has been established to carry on the business of providing services to diagnose, treat and monitor patients suffering from diabetes.
4. It is observed that Sanofi and ASCL operate at different levels of the supply chain in the healthcare industry in India and there is no horizontal overlap between the business of Sanofi and ASCL. The sugar centres are already presently functioning within the different enterprises of Apollo group and will continue to do so after the proposed combination. The proposed combination, would not, therefore, result in the removal of any competitor from the market. Further, it has been stated in the notice that the vertical relationship between Sanofi and ASCL is complementary and will enable them to harness their respective expertise to provide out-patient health care services for diabetes. It is observed that the vertical relationship between their activities in India is not likely to raise any competition concerns.
5. It is further observed that the market related to the services of diabetes care in India is characterised by numerous players, both in the organised sector through the specialised diabetes care centres, as well as in the unorganised sector, through the standalone players in the form of physicians, diagnostic labs, etc.
6. Considering the facts on record and the details provided in the notice and the assessment of the proposed combination on the basis of the 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 proposed combination under sub-section (1) of Section 31 of the Act.



COMPETITION COMMISSION OF INDIA



7. This approval is without prejudice to any other legal/statutory obligation 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.