



COMPETITION COMMISSION OF INDIA

(Combination Registration No. C-2015/03/259)

24.04.2015

Notice u/s 6 (2) of the Competition Act, 2002 given by Ordain Health Care Global Private Limited

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

1. On 23.03.2015, the Competition Commission of India (“**Commission**”) received a notice under sub-section (2) of Section 6 of the Competition Act, 2002 (“**Act**”) given by Ordain Health Care Global Private Limited (“**Ordain**” or the “**Acquirer**”). The notice was filed with the Commission pursuant to the execution of an Asset Purchase Agreement (“**APA**”) between Ordain and Alkem Laboratories Limited (“**Alkem**”) on 26.02.2015.
2. The proposed combination relates to the acquisition of fertility drugs division of Alkem (“**Fertica Business**”) by Ordain pursuant to the APA. As per the information given in the notice and other documents on record, the Fertica Business comprises of manufacturing, marketing and distribution of certain hormonal and nutritional pharmaceutical products for treating male and female infertility.
3. In terms of Regulation 14 of Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 (“**Combination Regulations**”), vide letter dated 01.04.2015, the Acquirer was required to provide certain information/document(s) by 07.04.2015, the reply to which was accordingly submitted by the Acquirer.
4. Ordain is a subsidiary of Chemo Espana S.L., a Spain-based integrated healthcare multinational group. As per the details given in the notice, Ordain is engaged in the pharmaceutical business in India. In addition to Ordain, Chemo Group is active in India through a commercial office in Hyderabad which is engaged in sales and marketing of chemical and pharmaceutical products. The Chemo Group also owns 40 per cent of the shares



of Nosch Labs Private Limited, a company which is involved in the manufacturing and marketing of APIs, intermediates and chemicals.

5. Alkem is a company engaged in manufacturing of generic and specialty pharmaceutical products. It has presence across acute and chronic therapeutic segments. As stated above, the Fertica Business is a division of Alkem which is engaged in the manufacturing, marketing and distribution of certain hormonal and nutritional pharmaceutical products for treating male and female infertility.
6. On the basis of information provided by the Acquirer, it is observed that at the molecule level, i.e., medicines/formulations based on the same API, there is no overlap between any of the products of the Chemo Group sold in India and the products of Fertica Business being acquired by the Acquirer from Alkem. It is further observed that even at a broader level i.e. therapeutic group level, there is no overlap between the products of the Chemo Group sold in India and the products included in Fertica Business.
7. It has been submitted in the notice that based on the intended use of the medicines; two products of the parties to the combination are substitutable as both can be prescribed as multivitamins in the treatment for male infertility. However, the combined market share of these products in this market is less than three per cent. Thus, the proposed combination is not likely to cause any appreciable adverse effect on competition in any of the potential relevant markets and therefore, the exact delineation of the relevant market may be left open in this case.
8. Further, as per the details given in the notice there are no existing or potential vertical arrangement between the Chemo Group including Nosch Labs and the Fertica Business of Alkem in India. Accordingly, the Commission is of the view that proposed combination is not likely to result in vertical foreclosure.
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 any appreciable adverse effect on



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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.
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.