



**COMPETITION COMMISSION OF INDIA**

(Combination Registration No. C-2015/10/324)

30.12.2015

**Notice under sub-section (2) of Section 6 of the Competition Act, 2002 given by Strides Shasun Limited<sup>1</sup>**

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

**CORAM:**

Mr. Ashok Chawla  
Chairperson

Mr. Sudhir Mital  
Member

Mr. M.S. Sahoo  
Member

Mr. U. C. Nahta  
Member

Mr. G. P. Mittal  
Member

**Legal representative:** DSK Legal

1. On 13.10.2015, the Competition Commission of India (“**Commission**”) received a notice given under sub-section (2) of Section 6 of the Act (“**Notice**”), by Strides Shasun Limited (“**Acquirer**”). The Notice has been filed pursuant to the execution of a Business Transfer Agreement (“**BTA**”) between the Acquirer and Sun Pharmaceutical Industries Limited (“**Sun Pharma**”) on 19.09.2015. As per the information given in the Notice, the proposed

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<sup>1</sup> Originally the Notice was filed by Strides Arcolab Limited (“**Strides**”). However, it has been submitted that Shasun Pharmaceuticals Limited (“**Shasun**”), has been amalgamated/merged into Strides with effective date as 19.11.2015. After the said amalgamation/merger, Strides has been renamed as Strides Shasun Limited.



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combination relates to the acquisition of certain specific assets and business of Sun Pharma operating in central nervous system segment in pharmaceutical sector (“**Target Business**”).

2. The proposed combination falls under Section 5(a) of the Act.
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 23.10.2015, the Acquirer was required to remove certain defects and provide information/document(s). The Acquirer filed its response on 02.11.2015. However, the said response was incomplete and therefore in terms of Regulation 14 of the Combination Regulations, *vide* letter dated 20.11.2015, the Acquirer was again required to remove these defects and provide complete information. The Acquirer filed its responses on 27.11.2015.
4. The Acquirer is a public limited company and is stated to be engaged in the development and manufacturing of pharmaceutical products. Sun Pharma is also a public limited company which is stated to be engaged in the development and manufacturing of pharmaceutical products.
5. In relation to the pharmaceutical formulations business, the Commission in its previous orders defined the relevant product market at the molecule level i.e. the medicines/formulations based on the same active pharmaceutical ingredient (API) constitute a separate relevant product market. It is observed from the information given in the Notice that at the molecule level, the Acquirer and the Target Business have horizontal overlaps in three relevant markets i.e. formulations based on Levetiracetam, Citicoline and Pregabalin + Mecobalamin. In this regard, it is noted that the combined market share of the Acquirer and the Target Business in these three relevant markets is insignificant and is unlikely to raise any competition concerns.
6. It is also noted that the Acquirer is also engaged in the API business which is the primary input in the manufacturing of formulations. Thus, the Commission has analysed the possibility of any vertical foreclosure resulting from the proposed combination. In this regard, it has submitted that the Acquirer sells three APIs in India which can be used as an



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input in the Target Business i.e. Olanzapine, Levetiracetam and Pregabalin. It is observed from the information given in the Notice that the market share of the Acquirer in the market for these APIs is not significant enough to result in any competition concern in these markets. Further, there are various other players who are supplying these APIs in the market.

7. Considering the facts on record and the details provided in the Notice given under sub-section (2) of section 6 of the Act and assessment of the proposed combination on the basis of 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 same under sub-section (1) of section 31 of the Act.
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.