



Fair Competition
For Greater Good

COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2016/09/433)

14th October 2016

Notice filed under sub-section (2) of Section 6 of the Competition Act, 2002 bearing registration no. C-2016/09/433, jointly by Fortis Healthcare Limited, Fortis Malar Hospital Limited and SRL Limited

CORAM:

Mr. Devender Kumar Sikri
Chairperson

Mr. S. L. Bunker
Member

Mr. Augustine Peter
Member

Mr. U. C. Nahta
Member

Mr. G. P. Mittal
Member

Legal Representative: Vaish Associates Advocates

Order under sub-section (1) of Section 31 of the Act

1. On 15th September 2016, 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 Fortis Healthcare Limited (“**FHL**”), Fortis Malar Hospital Limited (“**FMHL**”), and SRL Limited (“**SRL**”). Hereinafter, FHL, FMHL and SRL are together referred to as the “**Parties**”. The notice has been filed pursuant to the approval of the Board of Directors of the Parties *vide* respective board resolutions each dated 19th August 2016.
2. The proposed combination contemplates a series of interconnected steps, as follows: (i) FMHL to sell its healthcare business to FHL under slump sale route as a going concern (“**Business Transfer**”); (ii) FHL to de-merge its diagnostics business undertaking and its investment /



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shareholding in SRL to FMHL (“**De-Merger**”); and (iii) SRL to be amalgamated into FMHL, consequent to which the name of FMHL would be changed to “SRL Limited” (“**Amalgamation**”).

3. FHL, incorporated under the Companies Act, 1956, is listed on BSE and NSE. The Parties have submitted that FHL is controlled by the Fortis group. FHL is primarily engaged in providing integrated healthcare services such as medicare, healthcare and diagnostics through a network of multi-specialty hospitals. FHL also undertakes its diagnostics services business through SRL.
4. FMHL, incorporated under the Companies Act, 1956, is listed on BSE. FMHL is a subsidiary of Fortis Hospitals Limited (“**FHsL**”), a public company incorporated under the Companies Act, 1956 and a wholly owned subsidiary of FHL. The Parties have submitted that FMHL belongs to the Fortis group. FMHL is engaged in the business of operating hospitals and providing diagnostics services through SRL in Fortis Malar Hospital, Chennai.
5. SRL, a public limited company, is incorporated under the Companies Act, 1956. The Parties have submitted that SRL is controlled by the Fortis group. It is, *inter alia*, engaged in establishing, maintaining and managing clinical reference laboratories and other laboratories for providing testing and diagnostic services.
6. It has been submitted in the notice that the proposed combination is an internal restructuring within the Fortis group (controlled by Mr Malvinder Mohan Singh & Dr Shivinder Mohan Singh), to consolidate the hospitals and diagnostics business of Fortis group under separate verticals.
7. As per the submission, the Parties are engaged in the business of providing healthcare and diagnostics services in India. However, as aforementioned, it has been submitted by the Parties that the 3 entities involved in the proposed combination, namely, FHL, FMHL and SRL, are controlled by the Fortis group and that post-combination the control of FHL, FMHL and SRL



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shall remain with the Fortis group. Accordingly, delineation of the relevant product and relevant geographical market may be left open.

8. Considering the facts on record and details provided in the notice given under sub-section (2) of Section 6 of the Act, 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 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.
9. This order shall stand revoked if, at any time, the information provided by the Parties is found to be incorrect.
10. The information provided by the Parties is confidential at this stage in terms of and subject to provisions of Section 57 of the Act.
11. The Secretary is directed to communicate to the Parties accordingly.