



सत्यमेव जयते



Fair Competition
For Greater Good

COMPETITION COMMISSION OF INDIA

(Combination Registration No. C-2015/12/360)

15.01.2016

Notice under sub-section (2) of Section 6 of the Competition Act, 2002 given by FIL Capital Investments (Mauritius) II Limited.

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

CORAM:

Mr. D. K. Sikri
Chairperson

Mr. S. L. Bunker
Member

Mr. Sudhir Mital
Member

Mr. Augustine Peter
Member

Mr. U. C. Nahta
Member

Mr. M.S. Sahoo
Member

Mr. G. P. Mittal
Member

Legal representative: Cyril Amarchand Mangaldas

1. On 28.12.2015, the Competition Commission of India (“**Commission**”) received a notice given by FIL Capital Investments (Mauritius) II Limited (“**Acquirer**” or “**Fidelity Mauritius**”) under sub-section (2) of Section 6 of the Act pursuant to the execution of:
(a) Investment Agreement (“**IA**”) entered into between the Acquirer, Cipla Limited (“**Cipla**”) and the Cipla Health Limited (“**Cipla Health**”) on 27.11.2015; and (b)



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Agreement for Slump Sale of a Business Undertaking (“**BTA**”) entered into between Cipla and the Target on 27.12.2015.

2. As per the details provided in the notice, proposed combination relates to the acquisition of 26.11 per cent shareholding of the paid-up equity share capital of the Cipla Health by Fidelity Mauritius, on a fully diluted basis, by way of subscription to fresh equity shares and compulsory convertible preference shares pursuant to the IA. Further, Cipla proposes to transfer its over-the-counter (OTC) consumer business (“**Target Business**”) to Cipla Health by way of a slump sale, pursuant to the BTA. The Target Business proposed to be transferred by Cipla to Cipla Health comprises of "Nicotex", "Nicogum" and "Cofsils" (including generic manufacturing know-how; brands and all product variants), certain product ideas under development, and contractual arrangements (including purchase, manufacturing, marketing services and distribution arrangements).
3. The proposed combination falls under section 5(a) of the Act.
4. As per the information provided in the notice, Fidelity Mauritius is part of the proprietary venture capital arm of FIL Limited. The Acquirer's principal business activity is to hold investments and it does not have any subsidiaries, branches or offices in India. Further, Cipla is a public limited company incorporated under the provisions of the Companies Act, 1956 and is stated to be engaged in the business of pharmaceuticals. It has been further submitted that Cipla Health has been recently incorporated as a wholly-owned subsidiary of Cipla and does not have any subsidiary.
5. It has been submitted in the Notice that the Acquirer does not have any direct or indirect shareholding and/or control over enterprises, in India, that have any presence in the products comprising the Target Business or which are engaged in a vertical relationship with the products comprising the Target Business.
6. 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



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effect on competition in India and therefore, the Commission hereby approves the same under sub-section (1) of section 31 of the Act.

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