



COMPETITION COMMISSION OF INDIA

(Combination Registration No.C-2017/03/489)



Fair Competition
For Greater Good

19th April, 2017

Notice under Section 6 (2) of the Competition Act, 2002 given by Torrent Pharmaceuticals Limited

Coram:

Devender Kumar Sikri

Chairperson

Sudhir Mital

Member

Augustine Peter

Member

U. C. Nahta

Member

G.P. Mittal

Member

Legal Representatives of the parties: Vinod Dhall and TT&A

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

1. On 1st March 2017, the Competition Commission of India (“**Commission**”) received a notice given by Torrent Pharmaceuticals Limited (“**Torrent Pharma**”) under sub-section (2) of Section 6 of the Competition Act, 2002 (“**Act**”). The notice has been filed pursuant to an Asset Sale and Purchase Agreement dated 16.02.2017 entered into between Torrent Pharma and Novartis AG (“**Novartis**”) and an Inventory Agreement dated 16.02.2017 entered into between Torrent Pharma and Sandoz Private Limited (“**Sandoz**”), a wholly owned subsidiary of Novartis (hereinafter Torrent Pharma, Novartis and Sandoz are collectively referred as “**Parties**”).
2. The proposed combination relates to acquisition by Torrent Pharma of trademarks and regulatory documents for the products “*PregAchieve*” and “*Regestrone*” (hereinafter collectively referred as “**Products**”) and product dossier and manufacturing know-how for



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“*Regestrone*” from Novartis. Furthermore, Torrent Pharma will also acquire certain identified inventory in relation to these two products from Sandoz. (“**Proposed Combination**”).

3. Torrent Pharma is a listed company in India and is engaged in the business of manufacturing and marketing branded generic medicines in different therapeutic segments.
4. Novartis is the ultimate holding company of a multinational group of pharmaceutical companies that are active in three broad areas of healthcare - pharmaceuticals, eye care and generics. In India, Novartis is active in Pharmaceuticals, eye care (offering surgical and vision care products), generics (offering generic pharmaceutical products on retail generics), biosimilars, oncology injectable and anti-infectives. Novartis operates in India through four entities namely, Novartis India Limited, Novartis Healthcare Private Limited, Alcon Laboratories (India) Private Limited and Sandoz.
5. The Commission observed that there is no horizontal overlap between products of Torrent Pharma and products of Novartis at the molecule level. However, an overlap arises at the therapeutic group level based on the AIOCD AWACS classification, ‘*Deviry*’, ‘*Hernmp*’ and ‘*Estrobuild*’ (each marketed by Torrent Pharma) and ‘*Regestrone*’ (manufactured by Novartis) fall under the therapeutic group ‘*Hormonal Contraceptives, Systemic*’.
6. The Commission noted that the combined market share of Parties in the market for ‘*Hormonal Contraceptives, Systemic*’ is low (3.91%) in terms of sales value in FY 2015-16 and there are significant competitors such as Abbott, Zydus, Sun Pharmaceuticals, Pfizer and Mankind.
7. The Commission noted that the Parties are not engaged in any vertical relationship.
8. Considering the facts on record and the details provided in the notice given under sub-section (2) of Section 6 of the Act and on basis of the assessment of the proposed combination, 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.



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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.