



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2020/06/749)

15th July, 2020

Notice under Section 6 (2) of the Competition Act, 2002 filed by Aceso Company Pte. Ltd.

CORAM:

Mr. Ashok Kumar Gupta
Chairperson

Ms. Sangeeta Verma
Member

Mr. Bhagwant Singh Bishnoi
Member

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

1. On 9th June, 2020, the Competition Commission of India (“**Commission**”) received a notice under Section 6(2) of the Competition Act, 2002 (“**Act**”), filed by Aceso Company Pte. Ltd. (“**Aceso / Acquirer**”). The notice was filed pursuant to an Investment Agreement dated 4th June, 2020, executed between Aceso, HealthCare Global Enterprises Limited (“**HCG / Target**”) and Dr. B. S. Ajaikumar, Promoter of the Target. [Hereinafter, the Acquirer and Target are collectively referred to as “**Parties**”].]



2. The Proposed Combination envisages the following steps:
 - (i) *Step 1 - Subscription Transaction:* Acquirer will subscribe to equity shares and warrants representing the right to subscribe to equity shares amounting 35.11% of the fully diluted issued, subscribed and paid up share capital of the Target.
 - (ii) *Step 2 – Open Offer:* In accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Acquirer has made a public announcement of an open offer to the public shareholders of Target for acquisition of up to 23.82% of the fully diluted issued, subscribed and paid up share capital of the Target. In case of full acceptance of the offer, the Acquirer’s shareholding would reach up to 58.92% of the share capital of the Target.
3. Aceso, incorporated in Singapore, forms part of the CVC Network. It is indirectly owned by CVC Asia Fund V, which is controlled by its general partner CVC Capital Partners Asia V Limited, which in turn is ultimately controlled by CVC Capital Partners SICAV-FIS S.A. (“CVC”). The ‘CVC Network’ consists of (i) CVC (including its subsidiaries) and (ii) CVC Capital Partners Advisory Group Holding Foundation (including its subsidiaries). These are privately owned entities whose activities include providing investment advice to and / or managing investments on behalf of certain investment funds and platforms (“CVC Funds”). The ultimate control over the CVC Funds lies with CVC.
4. Acquirer neither has any physical presence in India nor does it have any portfolio companies or investments in India. However, the CVC Funds hold interests in number of companies primarily in Europe, USA and Asia-Pacific Region. Some of these portfolio companies, situated outside India, have recorded sales/turnover in India.



5. HCG, incorporated and operating in India, is a provider of speciality healthcare in cancer and fertility. Under the 'HCG' brand, it operates 22 cancer care centres in India and is the largest network in India in terms of total number of private centres licensed by the Atomic Energy Regulatory Board, as of 31st December, 2019. Under the same brand name, it operates 4 multispecialty hospitals in India. Through its subsidiary namely BACC Healthcare Private Limited, it operates 8 fertility centres under the 'Milann' brand. Target also owns approximately 38.2% in Strand Life Sciences Private Limited which, *inter alia*, provides clinical diagnostic services.
6. Based on the submissions, the Commission noted that there are no horizontal, vertical or complementary overlaps between the Acquirer and the Target.
7. However, as stated above, some portfolio companies of the CVC Funds have record sales in India in connection with activities that exhibit potential vertical or complementary relationships to the activities of the Target. Recordati SpA (and its subsidiaries) is present in the upstream market of sale of medicinal products. Sebia S.A. is present in the upstream market of distribution of IVD instruments and reagents. Alvogen Pharma India Pvt. Ltd. and Norwich Clinical Services Pvt. Ltd. are engaged in clinical trial services, which is complementary to the Target's business. The market share of the portfolio companies is miniscule in their respective segments and there are several players present in each segment.
8. Considering the material on record including the details provided in the Notice and the assessment of the Proposed Combination based on the factors stated in Section 20(4) of the Act, the Commission is of the opinion that the Proposed Combination is not likely to have any appreciable adverse effect on competition in India. Therefore, the Commission approves the Proposed Combination under Section 31(1) of the Act. Further, the Commission observed that non-compete clause is not ancillary to the combination.



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9. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.
10. The information provided by the Acquirer shall be treated as confidential in terms of and subject to provisions of Section 57 of the Act.
11. The Secretary is directed to communicate to the Acquirer accordingly.