

Summary of the Proposed Combination

In terms of Regulation 13 (1B) of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations), 2011, as amended

A. Parties to the Proposed Combination

1. Apollo Hospitals Enterprise Limited (“AHEL”),
2. Apollo Medicals Private Limited (“AMPL”) and
3. Apollo Pharmacies Limited (“APL”)

B. Type of the Proposed Combination

In terms of the proposed combination, the front end standalone pharmacy business of AHEL shall be transferred by AHEL to APL by way of slump sale pursuant to approval of the National Company Law Tribunal, Chennai Bench. Under the proposed combination, the value of assets and turnover of the front end standalone pharmacy (as stated below) proposed to be transferred shall fall within the purview of section 5 (c) of the Act

C. Area of activity of the Parties to the Proposed Combination

Area of Activity of AHEL

AHEL is a part of the Apollo Group and provides integrated healthcare services in India and internationally. AHEL healthcare facilities comprise primary, secondary, and tertiary care facilities.

On standalone basis, AHEL derives its revenues from two broad segments viz. healthcare services (i.e. hospitals) and standalone pharmacies.

As of 31 December 2018, it operated 69 hospitals with 9,806 beds. AHEL is also engaged in retail pharmacy business and as of 31st December 2018 AHEL operated 3,272 retail standalone pharmacy business having presence in 400+ cities in India. Apart from the retail pharmacy business AHEL and its subsidiaries operates approximately 98 primary care and 491 diagnostics clinics.

Area of Activity of AMPL

AMPL is engaged in the business of running hospitals, clinics, laboratories and running other healthcare delivery facilities.

Area of Activity of APL

APL is engaged in the business of buying, selling, importing, exporting, distribution or dealing in or manufacturing, Medical and Pharmaceuticals products like intravenous sets, intravenous solutions, all kinds of drugs, disinfectants, tinctures, colloidal products, injectable and all pharmaceuticals and medical preparations and other related products

D. Relevant market(s) to which the Proposed Combination relates

The pharmacy retail market is driven by the growth in the pharmaceutical sector. The products offered by AHEL at its retail outlets include pharmacy products, wellness products and the Fast moving health products. The sustainability of the products offered varies from 12-36 months and the end consumers shall be patients buying medicine on the prescription of Doctors.

The end consumers may determine the store based on their individual preference, ease of approach and convenience and is also dependent upon the availability of pharmacy products/ medicines as may be prescribed by health care professionals. Further the pharmacy market is highly regulated in terms of pricing and is regulated by a government agency namely, National Pharmaceutical Pricing Agency.

AHEL –

AHEL is an integrated health care service provider and has a robust presence across the healthcare ecosystem, including Hospitals, Pharmacies, Primary Care & Diagnostic Clinics

AMPL-

AMPL was incorporated on 18th September 2018 and is engaged in the business of research and development work required to promote, assist or engage in setting up hospitals and facilities for manufacturing medical equipment's. AMPL has not commenced operation till date.

APL-

APL was incorporated on 8th July 2016 and is engaged in the business of sell, import, export, manufacture, distribute or deal in all kinds of medicines, chemicals, chemical products, antibiotics, biological, nutraceuticals, healthcare, ayurvedic and dietary supplement products. APL has not commenced its operation till date.