



Fair Competition
For Greater Good

COMPETITION COMMISSION OF INDIA
(Combination Registration No.C-2016/06/403)

17th August 2016

**Notice under Section 6 (2) of the Competition Act, 2002 jointly given by
Quintiles Transnational Holdings Inc. and IMS Health Holdings, Inc.**

CORAM

S. L. Bunker

Member

Augustine Peter

Member

U. C. Nahta

Member

M.S. Sahoo

Member

Legal Representatives of the parties: AZB & Partners

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

1. On 1st June 2016, the Competition Commission of India (“**Commission**”) received a notice jointly given by Quintiles Transnational Holdings Inc. (“**Quintiles**”) and IMS Health Holdings, Inc. (“**IMS Health**”) under sub-section (2) of Section 6 of the Competition Act, 2002 (“**Act**”). The notice was given pursuant to execution of Board Resolution of Quintiles and IMS Health, each dated 2nd May 2016.
2. It has been submitted that the proposed combination contemplates merger of IMS Health with Quintiles, consequent to which IMS Health will cease to exist as a separate corporate



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entity and Quintiles will continue as the surviving corporation as Quintiles IMS Holdings, Inc. (“**Quintiles IMS**”). The existing shareholders of Quintiles and IMS Health will become shareholders in Quintiles IMS (shareholders of IMS Health and Quintiles will own approximately 51.4% and 48.6%, respectively). (Hereinafter, referred to as the “**Proposed Combination**”).

3. In terms of Regulation 5(6) of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 (“**Combination Regulations**”), *vide* letter dated 1st June 2016, the parties had undertaken to submit the original declaration as required under Regulation 9(1) of the Combination Regulations. The parties filed the said declaration on 30th June 2016.
4. IMS Health, a company incorporated in Delaware, U.S.A and listed on the New York Stock Exchange (“**NYSE**”), is engaged in providing IT and ITeS pertaining specifically to pharmaceutical sector. These comprise of, *inter alia*, consulting services, sales tracking data, CRM software and business intelligence solutions in India and Real World Evidence services (“**RWE**”)¹ globally.
5. Quintiles, a company incorporated in North Carolina, U.S.A and listed on the NYSE, is engaged in product development services and commercial outsourcing services such as providing contract pharmaceutical sales forces and RWE services to support health care companies develop and commercialize new therapies. In India, it is present through its subsidiaries and provides RWE services.
6. Based on the submission of the parties, the Commission observed that the activities of the parties do not overlap in terms of their activities in India. The Commission further observed that the provision of services relating to IT and ITeS pertaining specifically to

¹ RWE Services comprise mainly of observational studies and comparative effectiveness studies. It integrates real-world data, including medical and pharmacy claims, longitudinal prescriptions, electronic medical records, biomarkers, government data and hospital data to analyze the effectiveness and economic efficiency of healthcare products in the real world (*i.e.*, outside clinical trials).



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pharmaceutical sector can be sub-segmented into consulting, sales tracking data, CRM software, and business intelligence solutions. However, in the instant case, as the market share of IMS Health is insignificant in India and Quintiles is not present in the said sub-segments, the market definition is left open.

7. It is noted that the market share of IMS Health in the IT and ITeS pertaining specifically to pharmaceutical sector is marginal, *i.e.*, between 0-5 per cent in each of the aforementioned sub-segments. It is also noted that the market share of Quintiles in the RWE segment is between 10-15 per cent. The Commission, based on the submission of the parties, further observed that various competitors such as Accenture, Deloitte, Nielsen, Ipsos Research, Oracle, Cognizant, Wipro etc. are present, *inter alia*, in the aforementioned sub-segments of IT and ITeS pertaining specifically to pharmaceutical sector with market shares of up to 15 percent in India. In the business of RWE, competitors such as Lambda, Cognizant, Covance, Accunova etc. are present in India with market shares of up to 15 percent. Further, players such as, Cognizant are present in both the services, namely, IT and ITeS pertaining specifically to pharmaceutical sector as well as RWE services, in India. The aforesaid competitors would continue to pose competitive constraint to the merged entities post-combination.
8. On the basis of the submissions of the parties, the Commission observed that no vertical relationship exists between businesses of the parties in India.
9. Considering facts on record and 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 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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10. This order shall stand revoked if, at any time, the information provided by the parties is found to be incorrect.
11. The information provided by the parties is confidential at this stage in terms of and subject to provisions of Section 57 of the Act.
12. The Secretary is directed to communicate to the parties accordingly.