



COMPETITION COMMISSION OF INDIA

(Combination Registration No. C-2015/07/297)

08.09.2015

Notice u/s 6 (2) of the Competition Act, 2002 given by

- **Baxalta Incorporated (“Baxalta” or the “Acquirer”)**

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

CORAM:

Mr. Ashok Chawla
Chairperson

Mr. S. L. Bunker
Member

Mr. Sudhir Mital
Member

Mr. Augustine Peter
Member

Mr. M.S. Sahoo
Member

Mr. U. C. Nahta
Member

Mr. G. P. Mittal
Member

Legal representative: AZB & Partners

1. On 30.07.2015, the Competition Commission of India (“**Commission**”) received a notice under sub-section (2) of Section 6 of the Competition Act, 2002 (“**Act**”) given by Baxalta (“**Notice**”). The Notice has been filed pursuant to the execution of Global Separation and Distribution Agreement (“**GSDA**”) between Baxter International Inc. (“**Baxter**”) and Baxalta, on 30.06.2015. As per the details



- provided in the Notice, the combination relates to the acquisition by Baxalta of the bioscience business and related assets of Baxter (“**Target Business**”).
2. Baxter and Baxalta are stated to be public limited companies registered in USA and listed on the New York Stock Exchange. As per the information given in the Notice, Baxter provides a broad portfolio of bioscience products (constituting the Target Business), intravenous solutions and nutritional therapies, drug delivery systems, etc. As stated in the Notice, Baxalta, prior to the combination, was a wholly owned subsidiary of Baxter and did not carry out any business activities.
 3. It has been submitted in the Notice that pursuant to the GSDA, the Target Business has been effectively transferred to the Acquirer on 30.06.2015 (“**Global Implementation**”), except in certain 'deferred' jurisdictions, including India, where the transfer of the local target businesses will take place at a later date pursuant to local separation agreements (hereinafter, the implementation of the combination in India is referred to as the “**India Separation**”). Further, on 01.07.2015, Baxter distributed shares of Baxalta on a pro rata basis to its shareholders, cumulatively amounting to 80.50 per cent of Baxalta’s shareholding and the remaining 19.50 per cent equity shares were retained by Baxter itself.
 4. In relation to business operations of Baxter in India, it has been submitted that it operates in India through two subsidiaries, namely, Baxter India Private Limited and Gambro India Private Limited. Under the India Separation, Baxter’s Indian bioscience business and related assets will be transferred to a newly created wholly owned subsidiary of Baxter, viz. Baxalta BioScience (India) Private Limited (“**Baxalta India**”). Thereafter, the ownership and control of Baxalta India will be transferred to Baxalta.
 5. As already stated, prior to the Global Implementation, Baxalta was a wholly owned subsidiary of the Baxter, and did not carry out any business activities. Thus, there was no horizontal overlap or vertical relationship between the business activities of Baxter and Baxalta. It is also observed that the combination, including the eventual India Separation, relates to a structural separation of the Target Business from



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- Baxter into a newly incorporated company, Baxalta. Accordingly, the said structural change is unlikely to result in any impact on competition in any market(s) in India.
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 the assessment of the combination after considering the relevant factors mentioned in sub-section (4) of Section 20 of the Act, the Commission is of the opinion that the combination is not likely to have any appreciable adverse effect on competition in India and therefore, the Commission hereby approves the combination under sub-section (1) of Section 31 of the Act.
 7. This order is issued without prejudice to any proceedings under Section 43A of the Act.
 8. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.
 9. The Secretary is directed to communicate to the Acquirer accordingly.