



**COMPETITION COMMISSION OF INDIA**  
(Combination Registration No. C-2019/01/627)

**26<sup>th</sup> March, 2019**

**Notice under Section 6 (2) of the Competition Act, 2002 filed by  
PI Opportunities Fund - I**

**CORAM:**

Mr. Ashok Kumar Gupta  
Chairperson

Mr. U. C. Nahta  
Member

Ms. Sangeeta Verma  
Member

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

1. On 8<sup>th</sup> January, 2019, the Competition Commission of India (**Commission**) received a notice under Section 6(2) of the Competition Act, 2002 (**Act**), filed by PI Opportunities Fund - I (**PI Fund/Acquirer**).
2. The notice has been filed pursuant to the execution of a binding term sheet between the Promoters of the Medplus Health Services Private Limited (**Medplus/Target**) and the Acquirer, on 17<sup>th</sup> December 2018. In this regard, a Share Subscription Agreement (**SSA**) has been executed between the Target, Acquirer and Promoters on 22<sup>nd</sup> February, 2019. Further, the Acquirer, the Target, the Promoters and certain existing shareholders of the Target have also entered into a Shareholders Agreement (**SHA**), on 22<sup>nd</sup> February, 2019.



3. The proposed combination is notified in relation to subscription of equity shares and compulsorily convertible preference shares of the Target by the Acquirer, which would entitle the Acquirer to a shareholding of 13.16% (on a fully diluted basis) in the Target (**Proposed Combination**). (PI Fund and Medplus are collectively referred to as **Parties**).
4. The Acquirer *i.e.* PI Fund is a category II alternative investment fund, registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012. All the contributors of PI Fund are ultimately owned and controlled by Mr. Azim Premji.
5. Target *i.e.* Medplus, incorporated in India, undertakes pathology laboratory business through two pathology labs located in Hyderabad and Vijayawada. It is also engaged in pharmacy retailing through one of its subsidiaries. The Target also operates an online portal - [www.medplusmart.com](http://www.medplusmart.com) (**Medplus Portal**), to sell pharmaceutical products and FMCG.
6. There is no horizontal overlap between the products/ services offered by the Acquirer and the Target. However, there exist horizontal overlaps between the Target and certain companies in which the Premji Invest group has investment (**Portfolio Companies**), in the segment of sale of fast moving consumer goods (**FMCG**) and sale of opticals, at a broader level. It has been submitted that FMCG segment may be further sub-segmented into: (i) Food and Beverages; (ii) Healthcare; and (iii) Household and Personal Care. Activities of the Target and Portfolio Companies are also vertically placed in so far as manufacture and sale/retailing of products in the segments such as FMCG and opticals.
7. Target is primarily engaged in the business of retail pharmacy. However, none of the Portfolio Companies are engaged in the retail pharmacy. The Target does not have significant presence in other sub-segments, which are also characterised by



presence of number of other players. Thus, the Proposed Combination is not likely to raise any competition concern.

8. Considering the facts on record, details provided in the notice given under sub-section (2) of Section 6 of the Act and an assessment of the Proposed Combination on the basis of factors stated in Section 20(4) of the Act, the Commission is of the opinion that the Proposed Combination is not likely to have an appreciable adverse effect on competition in India. Therefore, the Commission approves the Proposed Combination under sub-section (1) of Section 31 of the Act. However, the Commission notes that the duration, business scope and geographic scope of non-compete covenants, as entered amongst Parties are not ancillary to the Proposed Combination.
9. This order shall stand revoked if, at any time, information provided by the Acquirer is found to be incorrect.
10. The information provided by the Acquirer 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 Acquirer accordingly.