COMPETITION COMMISSION OF INDIA

Combination Registration No.C-2025/02/1248

01st April 2025

Notice under Section 6(2) of the Competition Act, 2002 filed by 360 ONE Large Value Fund - Series 13, acting through Its Investment Manager, 360 ONE Alternates Asset Management Limited, and Claypond Capital Partners Private Limited

CORAM:

Ms. Ravneet Kaur
Chairperson

Mr. Anil Agrawal
Member

Ms. Sweta Kakkad
Member

Mr. Deepak Anurag
Member

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

1. On 20th February 2025, the Competition Commission of India (**Commission**) received a notice under sub-section (2) of Section 6 of the Competition Act, 2002 (**Act**) filed by 360 ONE Large Value Fund - Series 13 (**360 One LVF**), acting through its Investment Manager, 360 ONE Alternates Asset Management Limited (**AAML / Investment Manager**) [360 ONE LVF, which is a scheme of the Fund, the Fund (defined below) and AAML which is the investment manager of the Fund, are collectively referred to as **360 ONE**], and Claypond Capital Partners Private Limited (**Claypond Capital**) [360 One and Claypond Capital are collectively referred to as '**Acquirers**'].

2. The notice has been filed pursuant to (i) a share purchase agreement between 360 ONE LVF, which is a scheme of the 360 ONE Private Equity Fund (including its schemes or affiliates) (**Fund**), acting through AAML and MEMG Family Office LLP (**MEMG LLP**) in relation to the Proposed 360 Transaction (**360 ONE LVF SPA**); and (ii) a separate share purchase agreement between Claypond Capital and MEMG LLP in relation to the Proposed Claypond Transaction (**Claypond Capital SPA**).

3. The proposed transaction involves acquisition by the Acquirers in API Holdings Limited (**API Holdings/ Target**) from its existing shareholder, MEMG LLP[1] by 360 ONE of certain compulsorily convertible preference shares (**CCPS B**) amounting to equity shareholding of up-to 4.79% in API Holdings (**Proposed 360 Transaction**); and Claypond Capital, which is also ultimately controlled by the Pai Family (defined below), of certain CCPS B amounting to equity shareholding of up-to 4.79% in API Holdings (**Proposed Claypond Transaction**) (Acquirers and the Target are collectively referred to as the '**Parties**') [Proposed 360 Transaction and Proposed Claypond Transaction are collectively referred to as the '**Proposed Combination**'.]

4. It is submitted in the notice that the Proposed Combination is an acquisition of equity shareholding in API Holdings by: (a) 360 ONE and (indirectly) by 360 OWL, which is the ultimate controlling entity/ person of 360 ONE; and (b) Claypond Capital and (indirectly) by the Pai Family, which is the ultimate controlling entity/ person of

[1] By way of background, it is submitted that pursuant to a merger notification bearing Combination Registration No. C-2024/03/1119 jointly filed by, (i) MEMG Family Office LLP (**MEMG LLP**), and (ii) 360 ONE Private Equity Fund (including its schemes or affiliates) (**Fund**), acting through its investment manager, 360 ONE Asset Management Limited (**AML**) with the Commission on 5th March 2024 (**Previous Filing**): (a) The **Fund (including its schemes or affiliates)**, acting through its investment manager, AML, which is ultimately controlled by 360 ONE WAM Limited (**360 OWL**), had sought an approval to acquire certain compulsorily convertible preference shares (**CCPS B**) aggregating to **8.49%** equity shareholding in API Holdings Limited (**API Holdings/ Target**). However, as on date, the Fund (including its schemes and affiliates), has acquired **7.96%** equity shareholding on a fully diluted basis in API Holdings; and (b) **MEMG LLP**, which is ultimately controlled by the Pai Family (defined below), had sought an approval to acquire certain CCPS B aggregating to **9.58%** equity shareholding in API Holdings. The Commission, by way of an order dated 26th March 2024, approved the Previous Filing (**Approval Order**). Pursuant to the Previous Filing, the rights acquired in API Holdings were exercised as a block between MEMG LLP (ultimately controlled by the Pai Family (defined below)) and the Fund (including its schemes and affiliates) (ultimately controlled by 360 OWL. MEMG LLP is now desirous of selling its existing entire equity stake of up-to 9.58% in API Holdings (which was approved by way of the Approval Order).

Claypond Capital without acquisition of any additional control conferring rights which (indirectly), (i) 360 OWL; and (ii) Pai Family already have as a block in the Target pursuant to the Approval Order. Pursuant to the Previous Filing (and the Approval Order), (i) the Fund (ultimately controlled by 360 OWL) and (ii) MEMG LLP (ultimately controlled by the Pai Family) are the existing shareholders of API Holdings. Pursuant to the Proposed Combination, (i) the Fund (ultimately controlled by 360 OWL) and (ii) Claypond Capital (ultimately controlled by the Pai Family) would become the shareholders of the Target. Thus, there will be a change only in relation to the direct shareholders of the Target. There will be no change in control (*i.e.*, no acquisition of incremental control) of the Target as the Target will continue to be under joint control and, (i) 360 OWL; and (ii) Pai Family (both of which are (indirect) existing shareholders in API Holdings) will continue to remain (indirect) shareholders of API Holdings along with other third-party shareholders. It is stated that the Proposed Combination is not eligible for any exemption of the Competition (Criteria for Exemption of Combinations) Rules, 2024 as (indirect) equity shareholding of 360 OWL in the Target is exceeding 10% (with overlaps).

5. In accordance with Regulation 14(2) of the Competition Commission of India (Combinations) Regulations, 2024, *vide* letter dated 06th March 2025, certain information(s)/ clarification(s) was sought from the Acquirers and complete response to the same was received on 11th March 2025. Further, a voluntary submission was received on 27th March 2025.

Description of the Parties

A. 360 ONE

6. **360 ONE LVF:** 360 ONE LVF is a scheme of the Fund (defined under Para 8 below), which is registered as a Category II Alternative Investment Fund (**AIF**) with the Securities and Exchange Board of India (**SEBI**) under the SEBI (Alternative Investment Funds) Regulations, 2012 (**AIF Regulations**). Its purpose is to invest in the investee

companies based on the investment objective, as contained in 360 ONE LVF's Private Placement Memorandum.

7. **AAML:** AAML is the investment manager of the Fund. It is a wholly owned subsidiary of 360 OWL and is ultimately controlled by 360 OWL. Accordingly, 360 OWL is the ultimate controlling entity/ person of 360 ONE. AAML is engaged in the business of managing investments in alternate assets. It provides investment management services to schemes of the Fund and other Category I and Category II AIFs of the 360 ONE Group (defined under Para 11 below). It also undertakes co-investment portfolio management services.

8. **Fund:** The Fund is formed in India as an irrevocable, determinate, non-discretionary, contributory trust set up under the Indian Trusts Act, 1882 and is registered in India under the provisions of the Registration Act, 1908. The Fund has been registered with SEBI as a Category II AIF under the AIF Regulations. The main objective of the Fund is to act as AIF-Category II, a privately pooled investment vehicle collecting through its various schemes, funds from investors for investing in accordance with the defined investment policy and AIF Regulations for the benefit of its investors.

9. **360 ONE (360 ONE LVF+Fund+AAML):** 360 ONE is defined as (i) 360 ONE LVF which is the scheme of the Fund, (ii) the Fund, and (iii) AAML which is the investment manager of the Fund. As such, the business activities of 360 ONE would include the business activities of (i) 360 ONE LVF, (ii) the Fund, and (iii) AAML. 360 ONE has made several investments across India in various sectors. They do not, however, undertake any business activities by itself.

10. **360 OWL** is the ultimate controlling entity / person of the 360 ONE Group. It is listed on the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited. Further, 360 OWL is also a member of the Multi Commodity Exchange of India Limited, National Commodity Exchange of India Limited and National Commodity and Derivatives Exchange Limited. It is a wealth and asset management firm in India and serves the needs of high-net-worth and ultra-high-net-worth individuals, affluent

families, family offices and institutional clients through a comprehensive range of tailored wealth management solutions. 360 OWL, directly or indirectly (including through the Fund and its schemes or affiliates) has only a few global investments.

11. **360 ONE Group** is the group[2] to which 360 ONE ultimately belongs. 360 ONE group includes all (direct/ indirect) downstream affiliates (based on the Affiliate Test[3]) of 360 OWL (**360 ONE Group**). The activities of 360 ONE group comprise of all business activities of (direct/indirect) downstream affiliates of 360 OWL (based on the Affiliate Test) incorporated in India.

B. Pai Family

12. **Claypond Capital:** Claypond Capital incorporated in India is a private company. It belongs to the Pai Family Group (defined under Para 16 below). The shareholders of Claypond Capital are MEMG LLP and RSP Trust (India), which are ultimately controlled by the Pai Family. By way of the Proposed Combination, the entire existing shareholding of MEMG LLP (**Seller**) in the Target will be transferred from MEMG LLP to Claypond Capital and 360 ONE. Accordingly, Claypond Capital will be the entity holding the respective investment held by MEMG LLP in API Holdings. Claypond Capital is engaged in the provision of providing advice, services, and consultancy in various fields related to finance, including but not limited to syndication of debt, financial, and monetary matters, financial analysis, financial strategy, financial risk management, financial structuring, *etc.*

13. **MEMG LLP:** MEMG LLP is a limited liability partnership incorporated in India. The designated partners of MEMG LLP are Dr. Ranjan Ramdas Pai, Mrs. Shruti Ranjan Pai, and Manipal Education and Medical Group India Private Limited (**MEMG India**).

[2] 'Group' is considered in terms of definition of 'group' provided under Explanation (b) to Section 5 of the Act.
[3] For the purposes of disclosure and assessment in relation to equity investments in India and overlaps, the Parties (and their group entities) have considered those entities in which they hold: (a) Ten per cent. or more of the shareholding or voting rights of the enterprise; (b) Right or ability to have a representation on the board of directors of the enterprise either as a director or as an observer; or (c) Right or ability to access commercially sensitive information of the enterprise (**Affiliate Test**).

MEMG LLP is an investment holding LLP. It is engaged in the provision of management consultancy and advisory activities to customers in India and does not have any operations outside India. Pai Family is the ultimate beneficiary and MEMG LLP ultimately belongs to the Pai Family Group.

14. **MEMG India**: MEMG India is a designated partner of MEMG LLP and belongs to the Pai Family, *inter alia,* RSP Trust (India) and MEMG LLP hold equity shareholding. MEMG India is engaged in the business of providing management and business consultancy and other related services and ultimately belongs to the Pai Family. MEMG India does not have any operations outside India.

15. **Pai Family:** Dr. Ranjan Pai, Mrs. Shruti Pai, Ms.Sanya Pai and Ms. Rhea Pai, and the bloodline descendants of Ms. Sanya Pai and Ms. Rhea Pai are together referred to as the '**Pai Family**'. The Pai Family are beneficiaries of RSP Trust Mauritius. The trustees of RSP Trust Mauritius are Vistra Trustees Mauritius Limited, Dr. Ranjan Pai, and Mrs. Shruti Pai. The Pai Family is also a trustee and beneficiary of RSP Trust (India). Accordingly, the Pai Family, as a beneficiary and a trustee, exercises complete control over RSP Trust Mauritius and RSP Trust (India). The Pai Family has investments/ is present in India through RSP Trust Mauritius and RSP Trust (India), respectively. The Pai Family has been treated as the ultimate parent of the Pai Family Group including Claypond Capital.

16. **Pai Family Group** includes all downstream affiliates (based on the Affiliate Test) of the Pai Family. As such the activities of the Pai Family Group comprise of business activities of its downstream affiliates (based on the Affiliate Test) incorporated in India.

C. Target

17. The Target is a company incorporated in India. It is the ultimate parent of the API Group/ Target Group[4]. The Target, either directly or through its subsidiaries/ affiliate

[4] The Target and all its downstream affiliates/subsidiaries based on the Affiliate Test is referred to as the **Target Group**.

companies, is engaged in various activities in the pharmaceutical and healthcare sectors in India. These include (a) wholesale(B2B) sale and distribution of drugs (including pharmaceutical products[5], medical devices[6] and over the counter (**OTC**) products[7]), (b) provision of transportation and delivery services primarily focused on the pharmaceutical sector (*i.e.*, logistics), (c) owning technology and intellectual property for developing e-commerce platforms including marketplaces[8] for facilitating the sale of pharmaceutical products, medical devices, and OTC products, (d) provision of manpower supply, support, and business function support for group companies of the Target, (e) provision of master data management services support, (f) developing enterprise resource planning and software solutions primarily for healthcare businesses and other customized application services for retail pharmacies, (g) operation and provision of an online application which provides a Business-to-Business (**B2B**) order management system for retailers and distributors of pharmaceutical products, medical devices and OTC products, (h) developing a platform which connects registered medical practitioners (**RMPs**) and patients whereby the patients could consult with RMPs through the platform through tele-consultation and physical consultation, (i) Marketing and sale of certain products – which the Target gets manufactured from third party contract manufacturers (as the Target or its subsidiaries/investee companies do not own/control any manufacturing units) and sells on white-labelled basis – which includes pharmaceutical drugs (including herbal products), ayurvedic and nutraceutical products, food supplements, medical devices and hygiene products, and (j) provision of

[5] Pharmaceutical products include medicines which are available only upon prescription.
[6] Medical devices include dialysis machines, x-ray machines, implantables (*i.e.*, hip prosthesis, pacemakers) and imaging (*i.e.*, ultrasound and CT scanner).
[7] OTC products include general medicines which are available over the counter for which prescription is not required and other related items such as nutraceutical products/general supplements (including instant energy and food drinks), health monitor devices (such as thermometer and pulse oximeter), beauty and personal care products toiletries and personal hygiene items usually stocked by pharmacies.
[8] Threpsi Solutions Private Limited (**Threpsi**) which is a WOS of API Holdings, has licensed the operation of the '**PharmEasy**' marketplace to Axelia Solutions Private Limited (**Axelia**). Axelia is a wholly owned subsidiary of Aarman Solutions Private Limited (**Aarman**) in which API Holdings holds 19.99% shareholding. Axelia holds a non-exclusive license to use the intellectual property and information technology in relation to the 'PharmEasy' platform and as such, operate the 'PharmEasy' platform (which facilitates the retail sale of pharmaceutical, medical devices and OTC products). As such, the Target presently (indirectly) holds 19.99% shareholding in Axelia. Nevertheless, the Acquirers, on a without prejudice basis, have assessed overlaps against all affiliate entities of the Target (including Axelia) based on the Affiliate Test.

diagnostics services. Given the extant policy on foreign direct investment in India, the Target does not, by itself, undertake any retail operations (through brick-and- mortar stores or online marketplaces), *i.e.*, any retail sale of goods or services to the end-consumer. It is submitted that operations of the Target are predominantly undertaken in India. However, the Target through its step-down subsidiary, Thyrocare Technologies Limited (**Thyrocare**) also has minuscule global operations through IT support services.

18. The Parties have identified the relevant markets based on the overlapping products/ services of: (I) 360 ONE group on one hand and Target Group on the other hand in relation to the Proposed 360 Transaction; and (II) Pai Family Group on one hand and Target Group on the other hand in relation to the Proposed Claypond Transaction.

19. The Commission decides to leave precise delineation of the relevant market open, as it is observed that because of the reasons stated below, the Proposed Combination is not likely to result in appreciable adverse effect on competition, irrespective of the manner in which the relevant market is delineated.

Identification and Assessment of Horizontal Overlaps

A. Assessment of Horizontal overlaps between 360 ONE Group and Target Group

20. The Parties have submitted that there are no horizontal overlaps directly between 360 ONE and the Target in India. However, 360 ONE Group and Target Group have identified certain overlaps between 360 ONE Group's portfolio entity(s) and Target Group's portfolio entities in the following relevant markets: (i) 'the market for provision of diagnostics services in India' and its segment 'the market for provision of pathology services in India[9]' (**Relevant Market I**), (ii) 'the market for provision of tele-medical

[9] It is submitted that the market for provision of diagnostics services may be further sub-segmented into: (a) market for provision of pathology services; and (b) Market for provision of radiology / imaging services. However, as Nephrocare Health Services Private Limited (**Nephrocare**), the 360 ONE group entity, does not provide radiology services, further sub-segmentation of the market for provision of diagnostics services into the market for provision of imaging/radiology services is not required in relation to the Proposed 360 Transaction. Further, since Nephrocare does not operate its own diagnostics laboratories and outsources these services on a

consultation services in India' (**Relevant Market II**), (iii) 'the market for undertaking / facilitation of retail sale of OTC products in India' (**Relevant Market III**), (iv) 'the market for wholesale B2B sale and distribution of OTC products in India' (**Relevant Market IV**) and (v) 'the market for online B2B sales of OTC products in India' (**Relevant Market V**).

21. Based on the submissions of the Parties, it is noted that the combined market shares of the 360 ONE Group and the Target Group in each of the above relevant markets are in the range of [0-5] % in value terms with negligible incremental market shares. Further, each of these markets has the presence of various other players. Thus, the Proposed Combination is not likely to raise competition concern in India.

B. Assessment of Horizontal overlaps between Pai Family Group and Target Group

22. It is submitted that there are no horizontal overlaps directly between the Claypond Capital and the Target in India. However, Pai Family Group and Target Group have identified certain overlaps between Pai Family Group's portfolio entities and Target Group's portfolio entities in the following relevant markets: (i) 'the market for provision of diagnostics services in overlapping cities[10] and its segments, *i.e.*, (a) 'the market for provision of pathology services in the overlapping cities[11]; and (b) 'the market for provision of radiology/imaging services in the overlapping cities[12] (**Relevant Market I**); and (ii) 'the market for the provision of tele-medical consultation services in India' (**Relevant Market II**).

need basis to entities that offer diagnostics services on a pan-India level, the relevant geographic market is delineated as 'India'.

[10] (i) Bhubaneshwar, (ii) Kolkata, (iii) Mumbai, (iv) Lucknow, (v) Nashik, (vi) Thane, (vii) Raipur, (viii) Nagpur,(ix) Indore, (x) Pune, (xi) Aurangabad, (xii) Bilaspur, (xiii) Solapur, (xiv) Kolhapur, (xv) Delhi, (xvi) Gurugram, (xvii) Mangalore, (xviii) Mohali, (xix) Jalandhar, (xx) Prayagraj, (xxi) Rohtak, (xxii) Bangalore, (xxiii) Hyderabad, (xxiv) Chennai, (xxv) Vishakhapatnam, (xxvi) Vijayawada, (xxvii) Nanded, (xxviii) Trivandrum, (xxix) Warangal, (xxx) Karimnagar, (xxxi) Ghaziabad, and (xxxii) Jaipur.

[11] (i) Bhubaneshwar, (ii) Kolkata, (iii) Mumbai, (iv) Lucknow, (v) Nashik, (vi) Thane, (vii) Raipur, (viii) Nagpur,(ix) Indore, (x) Pune, (xi) Aurangabad, (xii) Bilaspur, (xiii) Solapur, (xiv) Kolhapur, (xv) Delhi, (xvi) Gurugram, (xvii) Mangalore, (xviii) Mohali, (xix) Jalandhar, (xx) Prayagraj, (xxi) Rohtak, (xxii) Bangalore, (xxiii) Hyderabad, (xxiv) Chennai, (xxv) Vishakhapatnam, (xxvi) Vijayawada, (xxvii) Nanded, (xxviii) Trivandrum, (xxix) Warangal, (xxx) Karimnagar, and (xxxi) Ghaziabad.

[12] (i) Bangalore, (ii) Gurugram and (iii) Jaipur.

23. Based on the submissions of the Parties, it is noted that the combined market shares of the Pai Family Group and the Target Group in each of the above relevant markets are in the range of [0-5] % in value terms with negligible incremental market shares. Further, each of these markets has the presence of various other players. Thus, the Proposed Combination is not likely to raise competition concern in India.

Identification and Assessment of Vertical Relationships

A. Assessment of Vertical Relationships between 360 ONE Group and Target Group

24. It is submitted in the notice that there are no direct vertical relationships between 360 ONE and the Target in India. However, there are five existing vertical relationships and six potential vertical relationships between the products and services offered by 360 ONE Group and the Target Group (including their downstream affiliates based on the Affiliate Test).

25. The existing and potential vertical relationships between 360 ONE Group and Target Group identified in the notice are as under:

(I) Existing Vertical Relationships: (i) Vertical Relationship between the Target Group entity present in the relevant market at the upstream level *i.e.*, 'the market for wholesale distribution and sale of pharmaceutical products in India', and 360 ONE group entity present in the relevant market at the downstream level *i.e.*, 'the market for provision of healthcare services through hospitals/ centers in India' (**Existing Vertical Relationship I**), (ii) Vertical Relationship between 360 ONE group entity present in the relevant market at the upstream level *i.e.*, 'the market for provision of CRM software solutions in India' and the Target Group entity present in the relevant market at the downstream level *i.e.*, 'the market for undertaking/ facilitation of retail sale of OTC products in India' (**Existing Vertical Relationship II**), (iii) Vertical Relationship between 360 ONE group entity present in the relevant market at the upstream level *i.e.*, 'the market for provision of CRM software solutions in India' and the Target Group entity present in the relevant market at the

downstream level *i.e.*, 'the market for provision of diagnostics services in India' (**Existing Vertical Relationship III**), (iv) Vertical Relationship between 360 ONE group entity present in the relevant market at the upstream level *i.e.*, 'the market for provision of healthcare services through hospitals/centres in India' and the Target Group entity present in the relevant market at the downstream level *i.e.*, 'the market for provision of diagnostics services in India' (**Existing Vertical Relationship IV**), and (v) Vertical Relationship between 360 ONE group entity present in the relevant market at the upstream level *i.e.*, 'the market for undertaking/facilitation of retail sale of OTC products in India' and the Target Group entity present in the relevant market at the downstream level *i.e.*, 'the market for provision of logistics services in India' (**Existing Vertical Relationship V**).

(II) Potential Vertical Relationships: (i) Vertical Relationship between Target Group entities present in the relevant market at the upstream level *i.e.*, 'the market for wholesale sale and distribution of pharmaceutical products medical devices and OTC products in India' and 360 ONE Group entities present in the relevant market at the downstream level *i.e.*, 'the market for provision of healthcare services through hospitals/ centers in India' (**Potential Vertical Relationship I**), (ii) Vertical Relationship between Target Group entities present in the relevant market at the upstream level *i.e.*, 'the market for provision of diagnostics services in India' and 360 ONE Group entities present in the relevant market at the downstream level *i.e.*, 'the market for provision of healthcare services through hospitals/ centers in India' (**Potential Vertical Relationship II**), (iii) Vertical Relationship between 360 ONE Group entity present in the relevant market at the upstream level *i.e.*, 'the market for manufacturing of medical devices in India' and Target Group entities present in the relevant market at the downstream level *i.e.*, 'the market for provision of wholesale sale and distribution of medical devices in India' (**Potential Vertical Relationship III**), (iv) Vertical Relationship between 360 ONE Group entity present in the relevant market at the upstream level *i.e.*, 'the market for manufacturing of medical devices in India' and Target Group entity present in the relevant market at the downstream level *i.e.*, 'the market for undertaking/ facilitation

of retail sale of medical devices in India' (**Potential Vertical Relationship IV**), (v) Vertical Relationship between Target Group entities present in the relevant market at the upstream level *i.e.,* 'the market for provision of white-labelling of OTC products in India' and 360 ONE Group entity present in the relevant market at the downstream level *i.e.* 'the market for undertaking/facilitation of retail sale of OTC products, including the Target's White-Labelled OTC Products in India' (**Potential Vertical Relationship V**), and (vi) Vertical Relationship between 360 ONE Group entities present in the relevant market at the upstream level *i.e.,* 'the market for provision of CRM software solutions in India' and Target Group entities present in the relevant market at the downstream level *i.e.,* 'the market for provision of diagnostics services in India' (**Potential Vertical Relationship VI**).

26. Based on the submissions of the Parties, it is noted that the individual market share of the 360 ONE Group / the Target Group in the relevant markets at upstream level as well as the relevant markets at the downstream level for Existing Vertical Relationships I, II, III, IV and V, and Potential Vertical Relationships I, II, III, IV, V and VI, is in the range of [0-5] %, only. Further, each of these markets is characterised by presence of several other players. Thus, the Proposed Combination is not likely to raise competition foreclosure concern in India.

B. Assessment of Vertical Relationships between Pai Family Group and Target Group

27. The existing and potential vertical relationships between Pai Family Group and Target Group identified in the notice are as under:

(I) Existing Vertical Relationships: Vertical Relationship between the Target Group entities present in the relevant market *i.e.*, 'the market for wholesale sale and distribution of pharmaceutical products, medical devices, and OTC products in India' at the upstream level and Pai Family Group entities present in the relevant market *i.e.,* 'the market for provision of healthcare services through hospitals/ centers in India' at the downstream level (**Existing Vertical Relationship).**

(II) Potential Vertical Relationships: (i) Vertical Relationship between the Target Group entities present in the relevant market *i.e.*, 'the market for wholesale sale and distribution of medical devices in India' at the upstream level and Pai Family Group entities present in the relevant market *i.e.*, 'the market for provision of diagnostics services in India' at the downstream level (**Potential Vertical Relationship I**), (ii) Vertical Relationship between the Target Group entities present in the relevant market *i.e.*, 'the market for provision of logistics services in India' at the upstream level and Pai Family Group entities present in the relevant market *i.e.*, 'the market for provision of healthcare services through hospitals/ centers in India' at the downstream level (**Potential Vertical Relationship II**), (iii) Vertical Relationship between the Target Group entity present in the relevant market *i.e.*, 'the market for provision of software services for inventory management and accounting for pharmacies in India' at the upstream level and Pai Family Group entity present in the relevant market *i.e.*, 'the market for provision of healthcare services through hospitals/ centers in India' at the downstream level (**Potential Vertical Relationship III**).

28. Based on the submissions of the Parties, it is noted that the individual market share of Pai Family Group/ Target Group in the relevant markets at upstream level as well as the relevant markets at the downstream level for Existing Vertical Relationship I and Potential Vertical Relationships I, II and III and IV is in the range of [0-5] % only. Further, each of these markets is characterised by presence of other players. Thus, the Proposed Combination is not likely to raise competition foreclosure concern in India.

29. Considering the material on record, including the details provided in the notice and the assessment of the Combination based on the factors stated in sub-Section (4) of Section 20 of the Act, the Commission is of the opinion that the Combination is not likely to have appreciable adverse effect on competition in India. Therefore, the Commission approves the Proposed Combination under Section 31(1) of the Act.

30. This order may stand revoked if, at any time, the information provided by the Acquirers is found to be incorrect.

31. The information provided by the Acquirers shall be treated as confidential in terms of and subject to provisions of Section 57 of the Act.

32. The Secretary is directed to communicate to the Acquirers accordingly.