



सत्यमेव जयते



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## COMPETITION COMMISSION OF INDIA

(Combination Registration No. C-2014/12/234)

15.01.2015

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

- TPG Asia VI SF Private Limited and
- Manipal Health Enterprises Private Limited

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

1. On 26.12.2014, the Competition Commission of India (“**Commission**”) received a notice under sub-section (2) of Section 6 of the Competition Act, 2002 (“**Act**”) given by TPG Asia VI SF Private Limited (“**TPG SF**”) and Manipal Health Enterprises Private Limited (“**MHEPL**”) (hereinafter, TPG SF and MHEPL are collectively referred to as the “**Parties**”, and each a “**Party**”). The notice has been filed pursuant to the (a) Subscription Agreement (“**SA**”) entered into between the Parties and the promoters of MHEPL on 13.10.2014, (b) Shareholders Agreement (“**SHA**”) entered into between the Parties, the promoters and existing investors of MHEPL, Manipal Health Systems Private Limited (“**MHSPL**”) and Manipal Education and Medical Group India Private Limited on 13.10.2014 and (c) Share Purchase Agreement (“**SPA**”) entered into between TPG SF, Manipal Global Health Services Limited and MEMG International Limited on 25.11.2014.
2. TPG SF is an investment holding company registered in Singapore and is affiliated with the TPG Group which is a global private investment group having investments in companies across broad spectrum of industries and geographies.
3. MHEPL, which is part of Manipal Educational and Medical Group (“**Manipal Group**”), is a provider of healthcare services in India. As per the information provided in the notice, MHEPL inter-alia operates multi-specialty hospitals in Maharashtra, Karnataka, Andhra Pradesh, Tamil Nadu and Goa, clinics in Bangalore and Karnataka, teaching hospitals in Karnataka and Sikkim and many fertility clinics in the states of Karnataka, Andhra Pradesh, Tamil Nadu and Madhya Pradesh.



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4. MHSPL, also a part of Manipal Group, is engaged in the provision of hospital services in India. As per the information given in the notice, it manages and operates four teaching hospitals of the Manipal Group, located in Manipal, Mangalore, Udupi and Karkala. As part of its core healthcare business, MHSPL leases and sub-leases its properties to MHEPL, in return for a fee.
5. The proposed Combination relates to acquisition of up to 24.75 percent of the equity share capital of MHEPL by TPG SF (“**TPG Acquisition**”). Simultaneously, MHEPL proposes to acquire certain real estate assets (“**Core Healthcare Business**”) of MHSPL by way of a demerger (“**Demerger**”), pursuant to the resolutions passed by the board of directors of MHEPL and MHSPL, on 13.10.2014.
6. In this regard, it is noted that TPG SF had filed a notice on 29.10.2014 seeking approval of the Commission for the TPG Acquisition. It was stated in the said notice that the Demerger was an independent transaction and being in the nature of acquisition within the same group, was exempt from notification under Item 8 of Schedule I to the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 (“**Combination Regulations**”). However, the Commission in its meeting held on 12.12.2014, having examined the respective provisions contained in the SA and SHA and the facts of the case, decided that the Demerger is an interconnected and interdependent part of the proposed combination within the meaning of sub-regulation (4) of Regulation 9 of the Combination Regulations and that the requirement of filing notice has to be determined as per sub-regulation (4) of Regulation 9 read with sub-regulation (5) of Regulation 9 of the Combination Regulations. Accordingly, the Commission decided that the notice filed by TPG SF on 29.10.2014 under sub-section (2) of Section 6 of the Act was not valid and directed that the Parties file a fresh notice for the proposed combination under the relevant provisions of the Act and the Combination Regulations. In view of the foregoing, as stated above, a fresh notice under sub-section (2) of Section 6 of the Act was filed by the Parties on 26.12.2014, pursuant to the said direction of the Commission.
7. As stated in the notice, neither TPG SF nor any of the portfolio companies of TPG SF are engaged in the business of provision of hospital services, in India.



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Accordingly, there are no horizontal overlaps between the Parties. Further, though there have been some vertical arrangements between the portfolio companies of TPG SF and MHEPL, it is observed that the same is not of any significant nature to raise any competition concern. Further, as stated in the notice, MHSPL does not provide services outside the Manipal Group and therefore, the Demerger is not likely to raise any competition concern.

8. Considering the facts on record and the 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 an appreciable adverse effect on competition in India in any of the relevant market(s) and therefore, the Commission hereby approves the same under sub-section (1) of section 31 of the Act.
9. This approval is without prejudice to any other legal/statutory obligations as applicable.
10. This order shall stand revoked if, at any time, the information provided by the parties is found to be incorrect.
11. The Secretary is directed to communicate to the parties accordingly.