



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2020/05/744)

11th June, 2020

Notice under Section 6 (2) of the Competition Act, 2002 filed by MacRitchie Investments Pte. Ltd.

CORAM:

Mr. Ashok Kumar Gupta
Chairperson

Ms. Sangeeta Verma
Member

Mr. Bhagwant Singh Bishnoi
Member

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

1. On 8th May, 2020, the Competition Commission of India (“**Commission**”) received a notice under Section 6(2) of the Competition Act, 2002 (“**Act**”), filed by MacRitchie Investments Pte. Ltd. (“**MacRitchie/Acquirer**”) for investment in 91Streets Media Technologies Private Limited (“**91Streets/Target 1**”), Ascent Health and Wellness Solutions Private Limited (“**Ascent/Target 2**”), API Holdings Private Limited (“**API/Target 3**”) [Hereinafter, Target 1, 2 and 3 shall together be referred to as “**Targets**”, further the Acquirer and Targets shall collectively be referred to as “**Parties**”].]



2. The notice was filed pursuant to agreements executed between the Acquirer, Targets and certain persons. The Proposed Combination is contemplated by way of following steps:
- i. Acquirer, as per the Securities Subscription Agreement dated 17th March, 2020, will subscribe to compulsorily convertible debentures (“**CCDs**”) of 91Streets representing 12.48% of the fully diluted equity share capital of 91Streets (“**Primary Transaction**”).
 - ii. Simultaneously, as per the Share Purchase Agreement dated 17th March, 2020, Acquirer will acquire 15.27% shareholding of Ascent from Evermed Holdings Pte. Ltd. (“**Secondary Transaction**”).
 - iii. A scheme for restructuring and consolidation of the businesses of 91Streets and Ascent into API is pending for approval before the National Company Law Tribunal (“**NCLT**”). If the scheme is approved and implemented, all the shareholders *inter alia* of 91Streets and Ascent will become the shareholders of the merged entity i.e., API.
 - iv. The Acquirer, upon becoming a shareholder of 91Streets and Ascent, will resultantly subscribe to, and will be issued and allotted, combination of CCDs, compulsorily convertible preference shares (“**CCPS**”) and common shares of API, representing 14.91% of its fully diluted equity share capital, on an as converted basis, post-merger of 91Streets and Ascent into API.
3. MacRitchie, incorporated in Singapore, is an investment holding company. It is an indirect wholly-owned subsidiary of Temasek Holdings (Private) Limited (“**Temasek**”), which is an investment company based in Singapore. Temasek’s portfolio spans a broad spectrum of industries: financial services; telecommunications; media & technology; consumer & real estate; transportation & industrials; life sciences & agribusiness; as well as energy & resources.



4. 91Streets, incorporated in India, belongs to 91Streets group. It, along with its subsidiaries, offers various products and services in India which includes provision of licensing technology and intellectual property required to develop an e-commerce platforms; wholesale sale and distribution of pharmaceutical products, medical devices, over the counter (“OTC”) drugs; sale and distribution of diagnostic tools; provision of electronic medical records and provision of logistics services.
5. It has been submitted that 91Streets does not operate any e-commerce platform itself. According to notice, it has licensed its technology and intellectual property to a third party, which runs and operates the platform – Pharmeasy (An online medical supply store & pharmacy website supplying medicines). It also owns and develops a tele-medical consultation platform, ‘DocStat’ for doctors to consult patients and generate electronic copy of a prescription. As per information provided, the operation of DocStat is licensed to a third party and 91Street provides technical support.
6. Ascent is incorporated in India and, along with its subsidiaries, is engaged in wholesale (“B2B”) sale and distribution of pharmaceutical, over the counter FMCG and nutraceutical products. It also provides order management system for facilitating B2B sales in the pharmaceuticals industry.
7. API is a newly incorporated company on 31st March, 2019 in India and at present has no activities in India and worldwide.
8. It is stated in the Notice that a scheme for restructuring and consolidation of the business of 91Streets and Ascent (and related business entities) into API was filed with NCLT on 16th September, 2019. As on date of notification, it was pending approval from NCLT. On the implementation of the Scheme, all the shareholders of 91Streets, Ascent etc. will become the shareholders of the merged entity *i.e.* API. Primary Transaction and Secondary Transaction are proposed to be completed prior to obtaining NCLT’s approval of the Scheme.



9. Based on the submissions, the Commission noted that there are no horizontal overlaps between the Acquirer (including Temasek and its Affiliates) and the Targets. However, the activities of the 91Streets and Ascent, directly or indirectly, exhibit horizontal overlaps as both are engaged in the broad segment of wholesale sale and distribution of drugs in India and at narrower segments in wholesale and distribution of (a) pharmaceuticals, (b) medical devices and (c) OTC drugs. The Commission decided to leave the delineation of the relevant market open as it was observed that the Proposed Combination is not likely to cause an appreciable adverse effect on competition in any of the possible alternative relevant markets.
10. As per information, the combined market share of the Targets is less than 5% in all these segments and sub-segments including wholesale sale and distribution of pharmaceuticals. In each of these segment/sub-segments, the incremental market share is insignificant and it has been submitted that the market is highly competitive and is characterized by a large number of competitors such as Medlife, 1mg, Netmeds, Medikabazaar, Curefit, ColMed, Pharmarack etc.
11. Similarly, based on the submission of the Acquirer, the Commission noted that there are no vertical relationships between the Acquirer and the Targets. However, existing or potential vertical overlaps were identified between (i) portfolio companies of the Temasek group and Targets and (ii) 91Streets and Ascent. It is observed that the market share of the portfolio companies is insignificant and there are several players present in each segment. Further, the inter-se sales for provision of goods or service between 91Streets and Ascent (including their subsidiaries) is not such so as to provide any ability or incentive to the Parties to foreclose competition in any market.
12. Considering the material on record including the details provided in the Notice and the assessment of the Proposed Combination based on the factors stated in Section 20(4) of the Act, the Commission is of the opinion that the Proposed Combination is not likely to have any appreciable adverse effect on competition in India. Therefore, the



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Commission approves the Proposed Combination under Section 31(1) of the Act. Further, the Commission observed that non-compete clause is not ancillary to the combination.

13. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.
14. The information provided by the Acquirer shall be treated as confidential in terms of and subject to provisions of Section 57 of the Act.
15. The Secretary is directed to communicate to the Acquirer accordingly.