



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2021/01/805)

22nd February 2021

Notice under Section 6(2) of the Competition Act, 2002 given by CDPQ Private Equity Asia 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 4th January 2021, the Competition Commission of India (**‘Commission’**) received a notice under Section 6(2) of the Competition Act, 2002 (**‘Act’**), given by CDPQ Private Equity Asia Pte. Ltd. (**‘CDPQ Asia’/‘Acquirer’**). The notice was given pursuant to the execution of (i) Share Subscription Agreement (**‘SSA’**) amongst API Holdings Pvt. Ltd. (**‘API Holdings’/‘Target’**), Founders of API Holdings, and CDPQ Asia and (ii) Share Purchase Agreement (**‘SPA’**) between CDPQ Asia and Evermed Holdings Pte. Ltd. (**‘Evermed’**), both dated 30th December 2020.
2. The Proposed Combination envisages an increase of shareholding of the Acquirer by approximately 2% in the Target by way of both a secondary acquisition of shares and a



primary issuance of shares and compulsorily convertible preference shares by the Target. The increase of shareholding is accompanied by acquisition of certain additional rights as well. [Hereinafter, CDPQ Asia and API Holdings are collectively referred to as '**Parties**'.]

3. In terms of Regulation 14(3) of the Competition Commission of India (Procedure in regard to transaction of business relating to combinations) Regulations, 2011 ('**Combination Regulations**'), the Commission *vide* communication dated 15th January 2021 sought certain information and clarifications from the Acquirer, *inter alia*, on shareholding pattern, rights and overlaps. The response was submitted by the Acquirer on 27th January 2021 after seeking extension of time.
4. CDPQ Asia is a wholly-owned subsidiary of Caisse de Depot et Placement du Quebec ('**CDPQ**') and is located in Singapore. CDPQ is a Canadian institutional fund, which manages and serves depositors which comprises public and private pension and insurance funds in Quebec. In India, the Acquirer is present through its subsidiaries, *viz.* CDPQ India Private Limited, Ivanhoe Cambridge Investment Advisory (India) Private Limited and SITQ India Private Limited.
5. CDPQ is also present in India through its investments in various portfolio companies including, *inter alia*, Piramal Enterprises Limited (which is present in the pharmaceutical segment) ('**PEL**') and TVS Supply Chain Solutions Limited (which is engaged in the business of providing logistics services) ('**TVS**').
6. API Holdings is a company incorporated in India and is the ultimate parent entity of the API Holdings Group. It is, *inter alia*, engaged in the following business activities: (a) distribution and wholesale of drugs (including pharmaceutical products, medical devices and over the counter ('**OTC**') drugs); (b) provision of transportation and delivery services primarily focused on the pharmaceutical sector; (c) owning technology and intellectual property for developing e-commerce platforms including marketplaces for



facilitating sale of pharmaceutical products, medical devices and OTC drugs; (d) supply of manpower and support of business functions for group companies of API Holdings; (e) provision of master data management services; (f) development of Enterprise Resource Planning ('**ERP**') and software solutions primarily for healthcare businesses and other customised application services for retail pharmacies; (g) operation and provision of an online application which provides business to business ('**B2B**') order management system for retailers and distributors of pharmaceutical products, medical devices and OTC drugs; (h) development of a platform which connects registered medical practitioners ('**RMPs**') and patients for tele-consultation as well as physical consultation; and (i) manufacturing and marketing of pharmaceutical, ayurvedic and nutraceutical products, medical devices, hygiene products, life-saving medicines, herbal products and food supplements.

7. Based on the submissions, the Commission noted that Target exhibits horizontal overlaps with CDPQ's portfolio companies, namely PEL and TVS in the segment of manufacture of pharmaceuticals and provision of logistics services, respectively. The Commission decided to leave the delineation of the relevant markets open as it was observed that the Proposed Combination is not likely to cause an appreciable adverse effect on competition in any of the relevant markets. As per the information submitted, the presence of the Target is minimal in these segments.
8. Similarly, based on the submission of the Acquirer, the Commission noted that there are various vertical relationships, existing and potential, between the portfolio companies of CDPQ and the Target. However, the presence of the Target in these segments is minimal and accordingly, it appears that the Parties do not have any ability or incentive to foreclose competition.
9. 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



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have any appreciable adverse effect on competition in India. Therefore, the Commission approves the Proposed Combination under Section 31(1) of the Act.

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