



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2016/09/435)

Dated: 14.10.2016

Notice under Section 6(2) of the Competition Act, 2002 jointly given by Broad Street Investments (Singapore) Pte. Ltd. and MBD Bridge Street 2016 Investments (Singapore) Pte. Ltd.

CORAM:

Mr. Devender Kumar Sikri
Chairperson

Mr. S. L. Bunker
Member

Mr. Augustine Peter
Member

Mr. U. C. Nahta
Member

Mr. G. P. Mittal
Member

Legal Representatives of the parties: M/s Nishith Desai Associates

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

1. On 23.09.2016, the Competition Commission of India (“**Commission**”) received a notice under sub-section (2) of Section 6 of the Competition Act, 2002 (“**Act**”) jointly given by Broad Street Investments (Singapore) Pte. Ltd. (“**BSIPL**”) and MBD Bridge Street 2016 Investments (Singapore) Pte. Ltd. (“**MBD**”) (collectively “**Acquirers**”). The notice has been filed pursuant to execution of a Share Subscription Agreement dated 20.09.2016 (“**SSA**”) entered into between BSIPL, MBD, MBD Bridge Street 2013 Investments (Singapore) Pte. Ltd. (“**MBD 2013**”), DEN Networks Limited (“**Den**”) and promoters of Den.



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2. BSIPL, MBD and MBD 2013 are investment holding companies belonging to The Goldman Sachs Group, Inc. (The Goldman Sachs Group, Inc. and its group companies are hereinafter referred to as the “**GS Group**”). The GS Group is stated to be engaged in investment banking, securities and investment management business providing a wide range of financial services.
3. Den, a public limited company incorporated under the Companies Act, 1956 and listed on BSE Limited and National stock exchange, is a multiple service operator (“**MSO**”) engaged in the business of distribution of television channels, apart from providing broadband services and e-commerce services through a television channel named Den-Snapdeal TV shop and website tvshop.in.
4. Presently, BSIPL and MBD 2013 together hold around 17.80 percent of equity share capital of Den and have a right to collectively appoint a director on the board of Den as per the investment agreement dated 06.05.2013 executed inter alia between MBD 2013, BSIPL and Den. The proposed combination involves subscription by BSIPL and MBD of further equity shares of Den, as per the terms of the SSA, leading to increase in Den’s shareholding of GS Group companies from existing around 17.80 percent to around 24.51 percent.
5. As regards horizontal overlaps arising from the proposed combination, the Commission observed that business of one of the GS Group’s portfolio companies, namely, TrendSutra Cayman Holdings operating as ‘Pepperfry’ overlaps with the e-commerce business of Den. The Commission observed that considering the nature of operations and scale of operations of overlapping business, the horizontal overlaps are insignificant and are not likely to raise competition concern.
6. As regards any vertical relationships emanating from the proposed combination, it has been submitted that three portfolio companies of GS Group may be said to be operating in upstream/downstream markets related to e-commerce, viz., (i) Gati Limited (“**Gati**”) engaged in provision of distribution and supply chain and logistics solution in India; (ii) VRL Logistics Limited (“**VRL**”) engaged in provision of courier service, cargo, air chartering, logistics and warehousing solutions; and (iii) S P Apparels Limited (“**SPAL**”) engaged in manufacturing of knitted garments for infants and children and



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menswear garments in India. The Commission observed that considering the nature of operations, scale of operations and existing vertical relationships of Den with of Gati, VRL and SPAL, the vertical relationships are insignificant and are not likely to raise competition concern.

7. Considering facts on record and 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 appreciable adverse effect on competition in India and therefore, hereby approves the same under sub-section (1) of section 31 of the Act.
8. This order shall stand revoked if, at any time, the information provided by the Acquirers is found to be incorrect.
9. The information provided by the Acquirers is confidential at this stage in terms of and subject to provisions of Section 57 of the Act.
10. The Secretary is directed to communicate to the Acquirers accordingly.