



Fair Competition
For Greater Good

COMPETITION COMMISSION OF INDIA
(Combination Registration No.C-2018/09/598)

11th October 2018

**Notice under Section 6 (2) of the Competition Act, 2002 given by Mr. Bhavish Aggarwal,
Mr. Ankit Bhati, Lazarus Holdings Pte. Ltd. and Macritchie Investment Pte. Ltd.**

CORAM

Sudhir Mital
Chairperson

Augustine Peter
Member

U. C. Nahta
Member

Legal Representatives of the parties: Khaitan & Co. for Lazarus Holdings Pte. Ltd., Mr. Bhavish Aggarwal and Mr. Ankit Bhati
Shardul Amarchand Mangaldas & Co. for Macritchie Investment Pte. Ltd.

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

1. On 9th September 2018, the Competition Commission of India (“**Commission**”) received a notice jointly given by Mr. Bhavish Aggarwal, Mr. Ankit Bhati, Lazarus Holdings Pte. Ltd. (“**Lazarus**”) and Macritchie Investment Pte. Ltd. (“**MacRitchie**”) under Section 6(2) of the Competition Act, 2002 (“**Act**”) for acquisition of less than 7 percent equity share of ANI Technologies Pvt Ltd. (“**ANI Technologies**”) by Lazarus. Lazarus proposes to acquire shares from various shareholders of ANI Technologies including (i) certain existing individual shareholders; (ii) certain existing institutional shareholders; and (iii) certain stock option holders. (Hereinafter, Mr. Bhavish Aggarwal, Mr. Ankit Bhati, Lazarus and MacRitchie are collectively referred to as “**Acquirers**”).



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2. The proposed combination has been notified pursuant to execution of the following agreements on 2nd August 2018: (i) Share Subscription Agreement between MacRitchie, Ola Founders' Trust and Lazarus for subscription of Lazarus shares; (ii) The Shareholders' Agreement between MacRitchie, Ola Founders' Trust and Lazarus; (iii) The Share Purchase Agreement for sale of ANI Technologies' shares to Lazarus by certain existing individual shareholders of ANI Technologies; (iv) The Share Purchase Agreement for sale of ANI Technologies' shares to Lazarus by certain existing individual shareholders of ANI Technologies; (v) The Share Purchase Agreement for sale of ANI Technologies' shares to Lazarus by the Ola Founders; (vi) The Share Purchase Agreement for sale of ANI Technologies' shares to Lazarus by certain Stock Option Holders of ANI Technologies.
3. Through the proposed combination, Lazarus proposes to acquire minority shareholding in ANI Technologies. Given that MacRitchie and Ola Founders' Trust are the only shareholders in Lazarus, as a result, MacRitchie will indirectly acquire a minority shareholding in ANI Technologies.
4. In terms of the provisions of Regulation 14 of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, *vide* letter dated 24th September, 2018, the Acquirers were required to provide certain information. The Acquirers filed their response on 27th September, 2018. The Acquirers had also made certain submissions on 13th September, 2018.
5. MacRitchie, incorporated in Singapore, is an investment holding company and is not engaged in any business operation. It is an indirectly wholly-owned subsidiary of Temasek Holdings (Private) Limited ("**Temasek**"), an investment company based in Singapore.
6. Lazarus, incorporated in Singapore, is a newly established company and presently all its shares are held by Ola Founders' Trust. Certain existing shareholders of ANI Technologies control Ola Founders' Trust.



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7. ANI Technologies is a private limited company engaged in providing internet and mobile technology platforms for taxi and auto rickshaw aggregation services for taxi hailing by commuters (under the brand name Ola). Mr Bhavish Agarwal and Mr Ankit Bhati are the founders of OLA. (Hereinafter, Mr Bhavish Agarwal and Mr Ankit Bhati are collectively referred to as “**OLA Founders**”).
8. Based on the submissions, the Commission noted that there is an overlap between ANI Technologies, Ola Founders and MacRitchie in the mobile wallet business segment as ANI Technologies and Ola Founders have certain equity stake in ZipCash Card Services Pvt. Ltd. (“**ZipCash**”). ZipCash is a mobile wallet and operates a semi-closed pre-paid payment instrument, co-branded as “Ola Money powered by ZipCash”, to primarily facilitate payments for services availed of through ANI Technologies’ taxi and auto rickshaw aggregation application – Ola.
9. Further, Temasek, the ultimate parent company of MacRitchie, indirectly through Singapore Telecommunications Limited (“**Singtel**”) (and Bharti Airtel Limited) holds certain equity shares in Airtel Payments Bank Private Limited (“**Airtel Payments Bank**”). Airtel Money is the mobile wallet of Airtel Payment Bank providing services similar or identical to the services provided by ZipCash, a subsidiary of ANI Technologies.
10. The Commission assessed the market share of the parties both at a broader level of digital payment services and at a narrower level of mobile wallet services. As no competition concern was found as a result of the proposed combination, the Commission decided to leave the exact delineation of relevant market open.
11. Based on the submission for market share (in value terms), the Commission noted that Airtel Payments Bank / Airtel Money and ZipCash has a combined market share of less than 1 percent at a broader level (*i.e.* provision of digital payment services). Further, at narrower level (*i.e.* provision of mobile wallet services), market share of each, *i.e.* Airtel Payment Bank and ZipCash is in the range of 0 – 5 percent, and the combined market share



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of the parties is 5 – 10 percent. The Commission also noted that there are competitors of the parties in the business segment of mobile wallet services such as Amazon Pay and PhonePe which would continue to compete with the parties, post-combination. Therefore, with the low market share of the parties and the presence of other significant players in the market posing competitive constraints, the proposed combination is not likely to cause any competition concern even in the narrower business segment of mobile wallet services.

12. Additionally, based on the submission, the Commission noted that Temasek holds a minority, non-controlling interest in Zomato Media Pvt. Ltd. (“**Zomato**”), which is engaged in the business of providing online listings of restaurants, as well as an online platform for delivery of food, in India by acting as an aggregator for various restaurants. Zomato provide services similar or identical or substitutable to the services provided by Pisces eServices (a subsidiary of ANI Technologies), which operates ‘foodpanda’. The Commission noted that this overlap is not likely to raise any competition concern as Temasek holds minority, non-controlling stake in Zomato.
13. The Commission further noted that Ola Founders have non-controlling, minority shareholding in Tork Motors Pvt. Ltd. (“**Tork**”). Tork develops and manufactures electric motorcycles in India. In this respect, Ola Electric Mobility Pvt. Ltd., a wholly owned subsidiary of ANI Technologies, proposes to engage in the business of providing services across the electric vehicles value-chain. However, it has been stated that Ola Electric Mobility Pvt. Ltd. is presently not actively engaged in business operations. Therefore, the proposed combination is not likely to raise any competition concern in this business segment.
14. The Commission also observed that there exists vertical relationship between Temasek and ANI Technologies, as Temasek has certain shareholding in Devyani International Limited (“**Devyani**”), a quick service restaurants franchisee, whose restaurants are listed on ‘foodpanda’. However, the said vertical relationship between the parties is insignificant to raise any competition concern.



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