



सत्यमेव जयते



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2020/06/753)

26th August, 2020

**Notice under Section 6 (2) of the Competition Act, 2002 filed by Lightstone Fund S.A.,
for and on behalf of Lightstone Global Fund**

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 30th June, 2020, the Competition Commission of India (“**Commission**”) received a notice under Section 6(2) of the Competition Act, 2002 (“**Act**”), filed by Lightstone Fund S.A., for and on behalf of Lightstone Global Fund (“**Lightstone/Acquirer**”) for acquisition in (i) Ascent Health and Wellness Solutions Private Limited (“**Ascent/Target 1**”), (ii) Aahaan Commercials Private Limited (“**Aahaan/Target 2**”), (iii) Lokprakash Vidhya Private Limited (“**Lokprakash/Target 3**”), (iv) 91Streets Media Technologies Private Limited (“**91Streets/Target 4**”) and (v) API Holdings Private Limited (“**API/Target 5**”). [Hereinafter, Target 1, 2, 3, 4 and 5 are collectively referred to as “**Targets**”, and the Acquirer and Targets are collectively referred to as “**Parties**”.]



2. The notice was filed pursuant to various agreements executed *inter alia* between the Acquirer and the Targets. Pursuant to the Proposed Combination, Acquirer will acquire the following:
 - i. 2.10% equity stake on a fully diluted basis in Ascent by way of secondary purchase of shares (“**Ascent Acquisition**”)
 - ii. 10.44% equity stake on a fully diluted basis in Lokprakash by way of secondary purchase of shares (“**Lokprakash Acquisition**”)
 - iii. 2.43% equity stake on a fully diluted basis in Aahaan by way of secondary purchase of shares (“**Aahaan Acquisition**”)
 - iv. Additional 0.01% equity stake on a fully diluted basis in 91Streets by way of secondary purchase of shares (“**91Streets Acquisition**”)

3. It was submitted in the Notice that a scheme for restructuring and consolidation of the businesses of Ascent, Aahaan, Lokprakash and 91Streets into API was filed with National Company Law Tribunal (“**NCLT**”), Mumbai Bench on 16th September, 2019 and was sanctioned on 8th June, 2020 by NCLT. Upon implementation of the scheme, independent existence of Ascent, Aahaan, Lokprakash and 91Streets will cease to exist and API will be the surviving entity. Shareholders of Ascent, Aahaan, Lokprakash and 91Streets will become the shareholders of the merged entity *i.e.* API.

4. As such, by way of the (i) Ascent Acquisition, (ii) Aahaan Acquisition, (iii) Lokprakash Acquisition, (iv) 91Streets Acquisition, (v) considering the pre-existing investment in 91Streets, and (vi) acquisition through an inter-connected transaction, the Acquirer will hold approximately 6.31% equity stake in API.

5. In terms of Regulation 14(3) of the Competition Commission of India (Procedure in Regard to the transaction of Business relating to Combinations) Regulations, 2011 (“**Combination Regulations**”), Commission *vide* emails dated 24th July, 2020 and 7th August, 2020 sought certain information and clarifications *inter alia* on overlaps



from the Acquirer. The responses were filed on 29th July, 2020 and 14th August, 2020 respectively.

6. Lightstone Fund S.A., incorporated in Luxembourg, is an alternative investment fund that was established as an umbrella fund structure with initially one sub-fund, i.e. Lightstone Global Fund. It is managed by its alternative investment fund manager *i.e.* LGT Capital Partners (Ireland) Limited, which is an indirect wholly-owned subsidiary of LGT Group Foundation, the ultimate holding company of the LGT group of companies (“**LGT Group**”). LGT Group is a leading international private banking and asset management group controlled by the Liechtenstein Princely Family.
7. Lightstone Fund S.A. does not have any direct presence in India. In 2019, LGT Group acquired a majority interest in Aspada Investment Company (“**Aspada**”), an India-focused investment fund, to expand its investing platform. LGT Group acquired the advisory subsidiary of Aspada *i.e.* Aspada Investment Advisors Private Limited (“**Aspada India**”) and a significant majority position of the Aspada portfolio from Aspada’s sole shareholder, Soros Economic Development Fund. With the integration of Aspada, it was agreed that the future impact investment-related activities of LGT Group in India through its India subsidiaries, Aspada India and LGT Impact Investment Advisors India Private Ltd (“**LGT IIAI**”), which will be branded under the name “**LGT Lightstone Aspada**”. It was also submitted that for the purpose of this notification (i) Aspada, (ii) Aspada India, (iii) LGT IIAI, and (iv) Lightstone Fund S.A. (including Lightstone Global Fund) are collectively referred to “**LGT Lightstone India**”. LGT Lightstone India has various portfolio investments in India.
8. Ascent is incorporated in India and, along with its subsidiaries, is engaged in wholesale (“**B2B**”) sale and distribution of pharmaceutical products, medical devices and over the counter FMCG and nutraceutical products (“**OTC drugs**”). It also is



engaged in the business of owning and developing an online application named 'Retailio', which provides an order management system for facilitating B2B sales in the pharmaceuticals industry.

9. 91Streets is incorporated in India and 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 drugs; sale and distribution of diagnostic tools; provision of electronic medical records and provision of logistics services.
10. It has been submitted that 91Streets does not operate any e-commerce platform itself. According to the 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.
11. Aahaan and Lokprakash do not carry out any business activities and do not have any subsidiaries. Aahaan and Lokprakash respectively hold 10.81% and 4.36% equity stake (on a fully diluted basis) in Ascent.
12. API was incorporated on 31st March, 2019 in India. In FY21, Aycon Graph Connect Private Limited ("Aycon"), which is a wholly-owned subsidiary of API Holdings, acquired 98.45% stake in Instinct Innovations Private Limited ("**Instinct Innovations**"), which is engaged in the business of developing software and enterprise resource planning solutions for healthcare business as well as non-healthcare space, *inter alia*, and customized application services for the retail pharmacies on which sales can also be made.



13. Based on the submissions, the Commission noted that horizontal overlaps exist between the LGT Lightstone India and the Targets. These overlaps are 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.
14. As per information submitted, the combined market share of the Parties are between [0-5]% in all these segments/sub-segments and the incremental market share was insignificant.
15. Similarly, based on the submission of the Acquirer, the Commission noted that there are various vertical relationships, existing and potential, between the LGT Lightstone India and the Targets.
16. It was observed that the market share(s) of the portfolio companies of LGT Lightstone India as well as Targets are between [0-5]% and there are several players present in each segment. Accordingly, based on the market shares submitted, it appears that the Parties do not have any ability or incentive to foreclose competition.
17. 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 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.



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