



सत्यमेव जयते



## COMPETITION COMMISSION OF INDIA

(Combination Registration No. C-2020/01/717)

11.03.2020

**Notice u/s 6(2) of the Competition Act, 2002 filed by K Raheja Corp Investment Managers LLP on behalf of Mindspace Business Parks REIT.**

### **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 20.01.2020, the Competition Commission of India (**‘Commission’**) received a notice under Section 6(2) of the Competition Act, 2002 (**Act**) filed by K Raheja Corp Investment Managers LLP (**‘KRC’/ ‘Manager’**) on behalf of Mindspace Business Parks REIT (**‘Mindspace REIT’/ ‘Acquirer’**).
2. The proposed combination relates to acquisition of share capital by the Acquirer of the following special purpose vehicles (**SPV**) (**‘Proposed Combination’**):
  - a) 89% shareholding in K. Raheja IT Park (Hyderabad) Limited (**‘KRIT’**).
  - b) 89% shareholding in Intime Properties Limited (**‘Intime’**).
  - c) 89% shareholding in Sundew Properties Limited (**‘Sundew’**).
  - d) 100% shareholding in Avacado Properties and Trading (India) Private Limited (**‘Avacado’**).
  - e) 100% shareholding in Gigaplex Estate Private Limited (**‘Gigaplex’**).
  - f) 100% shareholding in KRC Infrastructure and Projects Private Limited (**‘KRC Infra’**).



- g) 100% shareholding in Horizonview Properties Private Limited ('**Horizonview**').
- h) 100% shareholding in Mindspace Business Parks Private Limited ('**MBPPL**').

Hereinafter, KRIT, Intime, Sundew, Avacado, Gigaplex, KRC Infra, Horizonview and MBPPL are collectively referred to as the "**Target Entities**". The Acquirer and the Target Entities are together referred to as the "**Parties**".

3. The Proposed Combination has been filed *inter alia*, pursuant to draft offer document (**DoD**) filed with Securities and Exchange Board of India ('**SEBI**') on 31.12.2019 in terms of the SEBI (Real Estate Investment Trusts) Regulations, 2014 ('**REIT Regulations**'). It has been submitted in the notice that the Proposed Combination pertains to setting up and listing of a real estate investment trust (**REIT**) in India.
4. In terms of the Regulation 14 of the Competition Commission of India (Procedure in regard to transaction of business relating to combinations) Regulations, 2011 (**Combination Regulation**), the Commission *vide* its letter dated 05.02.2020, sought certain information from the Acquirer. Response to the same was filed on 10.02.2020. The Commission sought certain clarification(s)/information, *vide* its email dated 17.02.2020, followed by letter dated 20.02.2020, the response to the same clarification(s)/ information(s) was received on 24.02.2020. Parties also submitted certain additional information on 02.03.2020.
5. Mindspace REIT, belongs to the K. Raheja Corp Group ('**KRC group**'). It is stated to be settled as a contributory, determinate, irrevocable trust under the provisions of the Indian Trusts Act, 1882 pursuant to a trust deed dated 18.11.2019 (**Trust Deed**). The said trust has been created with the principal object and purpose to carry on the activity of a REIT. It is also stated that Acquirer is registered with the SEBI as a REIT pursuant to the REIT Regulations. The parties involved in the establishment of a REIT are the sponsors, the trustee and the manager, having distinct duties and responsibilities under the REIT Regulations.
6. The Acquirer is set up by Cape Trading LLP ('**CTL**') and Anbee Constructions LLP ('**ACL**') (collectively referred to as the '**Sponsors**') and managed by the Manager, in terms



of the REIT Regulations. It is also stated that the Acquirer, Sponsors and Manager form part of the KRC group. According to notice, Axis Trustee Services Limited (**Trustee**) has been appointed as the trustee of the Mindspace REIT pursuant to the Trust Deed.

7. KRIT, an entity incorporated in India is engaged in commercial real estate development and has eleven (11) buildings (operational) under its portfolio.
8. Intime, an entity incorporated in India is engaged in commercial real estate development and has three (3) buildings (operational) under its portfolio.
9. Sundew, an entity incorporated in India is engaged in commercial real estate development and has six (6) buildings (operational) under its portfolio. Further, it is stated that currently there are two (2) buildings which are under-construction.
10. Avacado, an entity incorporated in India is engaged in the commercial real estate development business and has two (2) buildings (operational) in its portfolio.
11. Gigaplex, an entity incorporated in India is engaged in commercial real estate development. Gigaplex, has six (6) buildings (operational) under its portfolio and one (1) building is under-construction.
12. KRC Infra, an entity incorporated in India is engaged in commercial real estate development, and has three (3) buildings which are under-construction.
13. Horizonview, an entity in incorporated in India is engaged in commercial real estate development, currently has two (2) buildings which are under-construction.
14. MBPPL, an entity incorporated in India is engaged in commercial real estate development. It has twenty two (22) buildings (operational) and one (1) building under construction in its portfolio across Mumbai Region, Pune and Hyderabad.
15. With regards to the Proposed Combination, following submissions have been made by the Acquirer:



- a) Target Entities are held by — Mr. Ravi C. Raheja, Mr. Neel C. Raheja, Mr. Chandru L Raheja, Mrs. Jyoti C. Raheja, Genext Hardware & Parks Private Limited, Inorbit Malls (India) Private Limited, Ivory Properties and Hotels Private Limited, K Raheja Corp Private Limited, K. Raheja Private Limited, Ivory Property Trust, Casa Maria Properties LLP, Raghukool Estate Development LLP, Capstan Trading LLP, ACL, CTL, Palm Shelter Estate Development LLP (each of whom hold shares in the Target Entities individually and/or jointly with each other) (**KRC Sellers**); and BREP Asia SBS Pearl Holding (NQ) Limited, BREP VIII SBS Pearl Holding (NQ) Limited, and BREP Asia SG Pearl Holding (NQ) Pte. Ltd., which are affiliated to The Blackstone Group Inc. (**BREP Sellers**). (KRC Sellers and BREP Sellers are collectively referred to as the **‘Sellers’**)
- b) It is submitted by the Parties that the Proposed Combination is a restructuring exercise wherein the real estate assets held by the Target Entities would be brought into Mindspace REIT by way of an acquisition of the Sellers’ shareholding in the Target Entities. In exchange for such an acquisition, the Sellers would be issued units in Mindspace REIT, immediately prior to listing of the units of Mindspace REIT. The real estate assets held by the Target Entities will thereafter be managed and operated by the Manager (either directly or through third party service providers) on behalf of Mindspace REIT, Trustee and its unitholders. It is stated that BREP Sellers would be considered as public shareholders of Mindspace REIT.
16. Based on the submissions of the Acquirer, it is observed that as a result of the Proposed Combination, the Target Entities which were jointly controlled by the Sellers, will also form part of the KRC group, which in turn controls Mindspace REIT (since BREP Sellers will not exercise any control whatsoever over the Target Entities). Further, it is noted that the Manager (which will take investment and management decisions of Mindspace REIT), will be owned by the KRC group. Therefore, it appears that the Proposed Combination is not likely to cause change in the competition dynamics
17. Considering the facts on record and the details provided in the notice given under Section 6(2) of the Act and 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 in any of the relevant market(s) and therefore, the Commission hereby approves the same under Section 31(1) of the Act.

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 is confidential at this stage in terms of and subject to provisions of Section 57 of the Act.
20. The Secretary is directed to communicate to the Acquirer accordingly.