



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2016/11/455)

20th December 2016

Notice under Section 6 (2) of the Competition Act, 2002 given by Madison India Opportunities Trust Fund

CORAM:

Mr. Devender Kumar Sikri
Chairperson

Mr. S.L. Bunker
Member

Mr. U.C. Nahta
Member

Mr. G.P. Mittal
Member

Legal Representative: Nishith Desai Associates

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

1. On 15th November, 2016, the Competition Commission of India (hereinafter referred to as the “**Commission**”) received a notice given by Madison India Opportunities Trust Fund (“**MIOTF**”), represented by its trustee Milestone Trusteeship Services Private Limited (“**MTSPL**”) regarding acquisition of 2% of the total share capital of Micromax Informatics Limited (“**Micromax**”). (Hereinafter, MIOTF, MTSPL and Micromax are collectively referred to as “**Parties**”). The notice has been filed pursuant to the Share Purchase Agreement (“**SPA**”) dated 17th October, 2016, entered into between MTSPL and SCI Growth Investments II (“**SCI**” / “**Seller**”) which is a private limited company, registered in Mauritius.



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2. The proposed combination has been filed under Section 6(2) read with Section 5(a) of the Competition Act, 2002 (“Act”).
3. The proposed combination relates to the acquisition of 2% of the total share capital of Micromax by MIOTF from SCI. MIOTF will also have certain affirmative rights and a board seat in Micromax. As per the decisional practice of the Commission, these rights confer control on MIOTF.
4. MIOTF is a Category II Alternative Investment Fund registered with Securities and Exchange Board of India in 2016 and belongs to the Madison Group, which is in the business of making investments and taking minority stakes in the companies. As stated in the notice, MIOTF is a newly setup fund and has not yet undertaken any investment or operations so far but intends to invest in growing and profitable companies in sectors such as media, communications including e-commerce, financial services, healthcare, technology, outsourcing and related business services companies in India.
5. Micromax, a public limited company registered in India, is engaged in the business of trading in consumer electronics such as mobile phones, tablets, LED TVs, home theatre systems and laptops in India.
6. It is noted that there is no horizontal overlap between the activities of the Parties to the combination. In relation to vertical overlaps, MIOTF has submitted that they and Micromax are not engaged in any activity which can be regarded as being at different stages or levels of the production chain and therefore, there is no vertical relationship between them.
7. Considering the facts on record, 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 an 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.
8. This order shall stand revoked if, at any time, the information provided by the Parties is found to be incorrect.



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9. The information provided by the parties shall be treated as confidential in terms of and subject to provisions of Section 57 of the Act.
10. The Secretary is directed to communicate to the parties accordingly.