



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2019/01/634)

21st February 2019

**Notice under Section 6 (2) of the Competition Act, 2002 given by
CA Swift Investments**

CORAM:

Mr. Ashok Kumar Gupta
Chairperson

Mr. U. C. Nahta
Member

Ms. Sangeeta Verma
Member

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

1. On 17th January, 2019, the Competition Commission of India (**Commission**) received a notice under Section 6(2) of the Competition Act, 2002 (**Act**), given by CA Swift Investments (**CA/Acquirer**).
2. The notice has been given pursuant to the execution of the Share Subscription Agreement (**SSA**) between Delhivery Private Limited (**Delhivery/Target**), Acquirer and others on 20th December, 2018. On the same date, the Acquirer, Target and certain others have also entered into a Shareholders Agreement (**SHA**).
3. On 20th February, 2019, the Acquirer also intimated certain information under Regulation 16 of the Competition Commission of India (Procedure in regard to transaction of business relating to combinations) Regulations, 2011. This relates to the discussion of the Target for acquisition of certain business assets. The



Commission observed that the change intimated is not likely to alter the competition assessment and accordingly, took the same on record.

4. The proposed combination is notified in relation to subscription by the Acquirer of Carlyle Series F Preference Shares in the Target. The Acquirer is an existing shareholder of the Target and currently has 12.75% shareholding in it. Post the Proposed Combination, Acquirer's shareholding in the Target will be 11.88% (**Proposed Combination**) (Hereinafter, CA and Delhivery are collectively referred to as **Parties**).
5. It is noted that the proposed combination has been contemplated along with acquisitions of shares in the Target by SVF Doorbell (Cayman) Limited (Comb. Reg. No. C-2019/01/633) and Deli CMF Pte. Limited (Comb. Reg. No. C-2019/02/640). All these acquisitions are proposed under a common and same agreement *i.e.* SSA.
6. The Acquirer, incorporated in Mauritius in 2017, is an investment holding company. It is a special purpose vehicle owned and controlled by investment funds, advised by affiliates of the Carlyle group (**Carlyle Group**). Carlyle Group is a global alternative asset manager, which manages funds that invest globally across four investment disciplines: (i) Corporate Private Equity (buyout and growth capital); (ii) Real Assets (real estate, infrastructure, energy and renewable resources); (iii) Global Credit (leveraged loans and structured credit, opportunistic credit, energy credit, private credit and distressed credit); and (iv) Solutions (private equity fund of funds program and related co-investment and secondary activities).
7. The Target, incorporated in India, is engaged in provision of third party logistics (**3PL**) services in India. As part of its logistics business, the Target provides services such as transportation, warehousing, etc. The Target, through Delhivery USA LLC,



its wholly-owned subsidiary, also provides last mile logistics solutions / deliveries of cross border shipments from India to the United States through United States Postal Service.

8. It has been submitted that the Parties to the Proposed Combination do not produce/provide similar or identical of substitutable products or services, either directly or indirectly. Further, they are not engaged in any activity relating to production, supply, distribution, storage, sale and service or trade in products or provision of services which is at different stages or levels of the production chain. As there is no overlap between the activities of Parties, the Commission does not consider it necessary to delineate the relevant market and accordingly, the same is left open.
9. The Commission notes that there is no horizontal or vertical overlap between the activities of the Parties. Further, despite additional investment by the Acquirer, its shareholding in the Target, in percentage terms, would reduce after the Proposed Combination on account of the acquisitions by SVF Doorbell (Cayman) Limited and Deli CMF Pte. Limited. Given these factors, the Commission of the view that the Proposed Combination is not likely to raise competition concerns.
10. Considering the facts on record, details provided in the notice given under sub-section (2) of Section 6 of the Act and an assessment of the Proposed Combination on the basis of factors stated in Section 20(4) 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. Therefore, the Commission approves the Proposed Combination under sub-section (1) of Section 31 of the Act.
11. The Commission, further notes that the duration and scope of non-compete covenant, as entered amongst Parties are not ancillary to the Proposed Combination.



12. This order shall stand revoked if, at any time, information provided by the Acquirer is found to be incorrect.
13. The information provided by the Acquirer is confidential at this stage, in terms of and subject to provisions of Section 57 of the Act.
14. The Secretary is directed to communicate to the Acquirer accordingly.