



COMPETITION COMMISSION OF INDIA

(Combination Registration No. C-2017/04/499)

2nd May, 2017

Notice under Section 6 (2) of the Competition Act, 2002 given by Highdell Investment Ltd.

CORAM:

Mr. Devender Kumar Sikri
Chairperson

Mr. Sudhir Mital
Member

Mr. U.C. Nahta
Member

Mr. G.P.Mittal
Member

Legal Representative: Cyril Amarchand Mangaldas

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

1. On 3rd April, 2017, the Competition Commission of India (hereinafter referred to as the “**Commission**”) received a notice filed by Highdell Investment Ltd. (“**Highdell**”) under sub-section (2) of Section 6 read with sub-section (a) of Section 5 of the Competition Act, 2002 (“**Act**”) pursuant to a Share Subscription Agreement (“**SSA**”) dated 31st March, 2017 entered into between Highdell, Kalyan Jewellers India Limited (“**Kalyan**”) and the Promoters of Kalyan. (Hereinafter, Highdell and Kalyan are collectively referred to as “**Parties**”).



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2. The proposed combination relates to subscription by Highdell of 119,047,619 number of compulsorily convertible preference shares (“CCPS”) of Kalyan. On conversion off and on fully diluted basis, the CCPS would entitle Highdell to hold 25% -35% of equity stake of Kalyan including its present 24 per cent equity shareholding.
3. Highdell, an investment holding company incorporated under the laws of Mauritius, is primarily engaged in holding long-term investments. The shareholders of Highdell are private equity funds managed by Warburg Pincus LLC, a limited liability company and private equity firm based in USA.(“WP LLC”, together with its affiliates, is referred to as “**Warburg Pincus**”).
4. Kalyan, a public limited company incorporated in India, is *inter-alia*, engaged in the business of gems and jewellery in India.
5. At present, Highdell owns 24 % equity stake in Kalyan, and post the proposed combination, Highdell shall own 25 % - 35 % of stake in Kalyan on fully diluted basis (including its current stake in Kalyan). Apart from the above, it has been submitted that there will be no change in control of Kalyan as a result of proposed combination.
6. It is stated by the Parties that except Kalyan, none of the Warburg Pincus’s portfolio companies in India is engaged in the business of gems and jewellery. Also, there is no vertical overlap between the activities of the Parties.
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 the 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 any 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 the provisions of Section 57 of the Act.
10. The Secretary is directed to communicate to the parties accordingly.