



**COMPETITION COMMISSION OF INDIA**  
(Combination Registration No. C-2017/02/480)



22.03.2017

**Notice under Section 6 (2) of the Competition Act, 2002 jointly given by:**

- BREP Asia SBS Pearl Holding (NQ) Ltd
- BREP Asia SG Pearl Holding (NQ) Pte Ltd
- BREP VIII SBS Pearl Holding (NQ) LTD

**CORAM:**

Mr. Devender Kumar Sikri

Chairperson

Mr. S. L. Bunker

Member

Mr. Sudhir Mital

Member

Mr. U. C. Nahta

Member

Mr. G. P. Mittal

Member

**Legal representatives:** Shardul Amarchand Mangaldas & Co

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

1. On 06.02.2017, the Competition Commission of India (“**Commission**”) received a notice jointly given by BREP Asia SBS Pearl Holding (NQ) Ltd (“**BREP Asia**”), BREP Asia SG Pearl Holding (NQ) Pte Ltd (“**BREP Asia SG**”) and BREP VIII SBS Pearl Holding (NQ) LTD (“**BREP VIII**”) under Section 6 (2) of the Competition



## COMPETITION COMMISSION OF INDIA

(Combination Registration No. C-2017/02/480)



- Act, 2002 (“**Act**”) (Hereinafter BREP Asia, BREP Asia SG and BREP VIII are collectively referred to as “**Acquirers**”).
2. The proposed combination relates to: (a) subscription of 15 percent shares of Newfound Properties and Leasing Private Limited (“**Newfound**”), Horizonview Properties Private Limited (“**Horizonview**”), KRC Infrastructure and Projects Private Limited (“**KRC Infrastructure**”); (b) acquisition of 15 percent shares of K Raheja IT Park (Hyderabad) Limited (“**Raheja IT**”), Intime Properties Ltd. (“**Intime**”), Gigaplex Estate Private Limited (“**Gigaplex**”), Sundew Properties Ltd. (“**Sundew**”), Avacado Properties And Trading (India) Private Limited (“**Avacado**”) and (c) subscription of 17.91 percent shares of Mindspace Business Parks Private Limited (“**Mindspace**”), by Acquirers (“**Proposed Combination**”) (Newfound, Horizonview, KRC Infrastructure, Raheja IT, Intime, Gigaplex, Sundew, Avacado and Mindspace hereinafter referred to as “**Target Companies**”). The notice has been filed pursuant to execution of the framework agreement dated 01.02.2017 entered into between certain members of the K Raheja Corp Group (“**KRC Group**”), Mindspace, Newfound, Horizonview, KRC Infrastructure, K Raheja Corp Private Limited (“**K Raheja Corp**”), Trion Properties Private Limited (“**Trion**”), existing shareholders of the Target Companies and the Acquirers.
  3. In terms of the provisions of Regulation 14 of the Competition Commission of India (Procedure in regard to the transaction of business relating to Combinations) Regulations, 2011 (“**Combination Regulations**”), *vide* letter dated 22.02.2017, the Acquirers were, *inter alia*, required to provide information about horizontal overlaps, clarification on market shares etc. The Acquirers filed their response on 28.02.2017.
  4. BREP Asia and BREP VIII are incorporated in Cayman Islands and BREP Asia AG is incorporated in Singapore. These entities are affiliates of the funds which are advised or managed by affiliates of The Blackstone Group L.P. (“**Blackstone**”) and are indirectly controlled by Blackstone. The Acquirers do not have any physical presence in India.



## COMPETITION COMMISSION OF INDIA

(Combination Registration No. C-2017/02/480)



Fair Competition  
For Greater Good

5. Blackstone, a global alternative asset manager, is listed on the New York Stock Exchange. It is headquartered in the United States and has offices in Europe and Asia.
6. Mindspace, Newfound, Sundew, Gigaplex, Horizonview, KRC infrastructure, Raheja IT, Avacado and Intime are companies incorporated in India and belong to the KRC Group. Avacado, Gigaplex and Newfound are engaged in the commercial real estate business in Mumbai; Raheja IT, Intime and Sundew are engaged in the commercial real estate business in Hyderabad; Horizonview is engaged in the commercial real estate business in Chennai; KRC Infrastructure is engaged in the commercial real estate business in Pune and Mindspace is engaged in commercial real estate business in both Mumbai and Hyderabad.
7. The Commission observed that pursuant to acquisition of equity stakes in the Target Companies, the Acquirers will obtain certain affirmative rights including right to appoint a member on the board of directors in each of the Target Companies.
8. The Commission further observed that the Acquirers and the Target Companies do not produce/provide similar or identical or substitutable products or services either directly or indirectly, as the Target Companies are active in the commercial real estate market in certain cities whereas, the Acquirers are special purpose vehicles and are currently not engaged in any business activity. However, Blackstone has investments in companies (“**Relevant Portfolio Companies**”) that are active in the commercial real estate businesses in Mumbai, Pune, Hyderabad, Bangalore, Noida, Amritsar and Ahmedabad.
9. Given the fragmented nature of commercial real estate market in the cities under consideration, presence of various real estate players in India, low barriers to entry, the Commission was of the view that the Proposed Combination is not likely to raise significant competition concern and accordingly decided that the exact delineation of the relevant market may be left open.



## COMPETITION COMMISSION OF INDIA

(Combination Registration No. C-2017/02/480)



Fair Competition  
For Greater Good

10. With regard to the horizontal overlaps, the Commission noted that there are overlaps among the Target Companies and Relevant Portfolio Companies in the commercial real estate market in three cities namely, Mumbai, Pune and Hyderabad. As per the data submitted by the Acquirers, the combined market share of the Target Companies and Relevant Portfolio Companies is in the range of [5-10] percent, [10-15] percent and [10-15] percent in the commercial real estate market in Mumbai, Pune and Hyderabad, respectively.
11. The Commission also observed that other well established players like Hiranadani, Lodha, Wadhwa, Indiabulls are present in the commercial real estate market in Mumbai; Panchsheel, Magarpatta, Paranjpe, Embassy and Shapoorji Pallonji in the commercial real estate market in Pune; Divyashree, DLF, Ascendas and Phoenix in the commercial real estate market in Hyderabad. In view of the foregoing, the Commission does not find the horizontal overlap in the market to raise any appreciable adverse effect on competition.
12. As regards vertical relationships, Commission observed that neither Blackstone, nor any other company in which Blackstone has an investment, are engaged in any activity in relation to the production, supply, distribution, storage, sale and service or trade in products or provision of services which are at different stages or levels of production chain to the Target Companies.
13. Considering facts on record, details provided in the notice given under sub-section (2) of Section 6 of the Act and assessment 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.



**COMPETITION COMMISSION OF INDIA**

(Combination Registration No. C-2017/02/480)



*Fair Competition  
For Greater Good*

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