

## Summary of the Proposed Combination

*[In terms of Regulations 13 (1A) of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations), 2011 (as amended)]*

### **A. Name of the parties to the combination**

1. The names of the parties to the combination are:
  - (a) Emerald Sage Investment Ltd (**Emerald**); and
  - (b) Apollo Tyres Ltd. (**Apollo**);

Emerald and Apollo are together referred to as **Parties**.

### **B. Nature and purpose of the combination**

2. The proposed combination relates to a subscription by Emerald of 108,000,000 compulsorily convertible preference shares of face value of INR 100 each of Apollo to be issued in accordance with the terms of the Investment Agreement dated 27 February 2020 executed between Emerald, Apollo, and certain promoters of Apollo, constituting approximately 9.93% of the post-issue paid up share capital of Apollo, on an as-converted basis, for an aggregate consideration of INR 1,080 crore (**Proposed Combination**).
3. The Proposed Combination is in the nature of an acquisition and is notifiable under Section 5(a)(i)(A) of the Competition Act, 2002 (**Act**).

**C. Products, services and business(es) of the parties to the Proposed Combination**

**Emerald**

4. Emerald is an investment holding company incorporated under the laws of Mauritius and its objective is to hold long term investments. It does not have any presence in India. The shareholders of Emerald are certain private equity funds managed by Warburg Pincus LLC. Warburg Pincus LLC is a member-owned private equity firm headquartered in New York, United States, and acts as manager to certain private equity funds. It has invested over USD 81 billion in more than 880 companies across 40 countries. The portfolio companies owned by the private equity funds are active in a variety of sectors, including energy, financial services, healthcare and consumer, industrial and business services, technology, media and telecommunications.

**Apollo**

5. The principal business activity of Apollo is manufacturing and sale of automotive tyres. Apollo started its operations in 1972 with its first manufacturing plant at Perambra in Kerala. Apollo's largest operations are in India and comprise four tyre manufacturing plants, two in Kerala, one each in Gujarat and Tamil Nadu, and various sales and marketing offices spread across the country. A greenfield manufacturing plant is also being built in Andhra Pradesh. The product portfolio of the Apollo group consists of tyres of passenger car, sports utility vehicle, multi utility vehicle, light truck, truck–bus, agriculture, industrial, specialty, two-wheeler, bicycle and off highway tyres, and retreading material.

**D. Respective markets in which parties to the Proposed Combination operate**

6. There are no (i) horizontal overlaps; and/or (ii) vertical/complementary links between the business activities of the Parties (and their group entities) in India. Accordingly, absent any horizontally overlapping, and/or vertically/complementarily linked business activities of the Parties in India, the relevant market need not be defined and may be left open. That said, Apollo is present in the “*market for manufacture and sale of tyres*”.

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