



**COMPETITION COMMISSION OF INDIA**  
(Combination Registration No.C-2016/01/367)

01.03.2016

**Notice u/s 6 (2) of the Competition Act, 2002 given by Dalmia Bharat Limited**

**CORAM:**

Mr. Devender Kumar Sikri  
Chairperson

Mr. S. L. Bunker  
Member

Mr. Sudhir Mital  
Member

Mr. Augustine Peter  
Member

Mr. U. C. Nahta  
Member

Mr. M. S. Sahoo  
Member

**Legal representative of the parties:** M/s Khaitan & Co., LLP

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

1. On 18.01.2016, the Competition Commission of India (“**Commission**”) received a notice under sub-section (2) of Section 6 of the Competition Act, 2002 (“**Act**”), given by Dalmia Bharat Limited (“**DBL**”/ “**Acquirer**”).
2. The notice was given pursuant to the execution of a Share Purchase and Subscription Agreement dated 15.01.2016 (“**SSPA**”) executed between KKR Mauritius Cement Investments Limited (“**KKR Cement**”), DBL and Dalmia Cement (Bharat) Limited (“**DCBL**”).



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3. DCBL is currently under the joint control of DBL and KKR Cement, which hold around 85 percent and 15 percent shares of DCBL respectively. The proposed combination relates to acquisition by DBL of around 15 percent shares in DCBL, held at present by KKR Cement, leading to DBL holding 100 percent of the equity share capital and sole control of DCBL. Further, as per the SSPA, DBL has agreed to issue its shares to KKR Cement, amounting to around 9 percent of its share capital. In this regard, it has been submitted that no special rights of any nature would be available to KKR Cement in DBL other than those available to any ordinary shareholder.
4. In terms of Regulation 14 of the Competition Commission of India (Procedure in regard to transaction of business relating to combinations) Regulations, 2011 (“**Combination Regulations**”), vide letter dated 12.02.2016, the Acquirer was required to remove defects and furnish certain information/document(s) by 17.02.2016. The Acquirer filed its response on 16.02.2016.
5. DBL, incorporated in 1935, is a public limited company listed on Bombay Stock Exchange & National Stock Exchange. DBL provides management services to the group companies belonging to the Dalmia Bharat group, holds/owns intellectual property such as trade names for its group companies and holds shares in the group companies, either on its own or through its subsidiaries.
6. DCBL, a subsidiary of DBL is a public, unlisted company, engaged in manufacturing of various types of cement and refractories. The cement manufacturing units of DCBL and/or its subsidiaries are located in Southern (in Tamil Nadu, Andhra Pradesh and Karnataka), Eastern (Odisha, West Bengal and Jharkhand) and North-Eastern regions of India (Assam and Meghalaya) and the refractory manufacturing unit is located in Odisha.
7. KKR Cement is an investment holding company incorporated in Mauritius and does not have any registered entities or physical presence in India. KKR Cement is an investment vehicle and thus has no commercial operations. It is currently entirely indirectly held by investment funds advised by Kohlberg Kravis Roberts & Co. L. P. (“**KKR**”), which is a limited partnership registered under the laws of the State of Delaware, United States. KKR is a global asset management firm, which offers a broad range of alternative asset funds and other investment products to investors and provides



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capital markets solutions for the firm, its portfolio companies and other clients. KKR's affiliated private equity funds invest in portfolio companies in a variety of sectors.

8. The Commission noted that the proposed combination envisages exit of KKR Cement from DCBL and that the consequent change in control over DCBL is not likely to result in a change in competition dynamics in any market in India. The Commission further noted the submissions of the parties that there are no horizontal or vertical overlaps between DBL and KKR's portfolio companies.
9. Considering the facts on record, details provided in the notice 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.
10. This order shall stand revoked if, at any time, information provided by the Acquirer is found to be incorrect.
11. The Secretary is directed to communicate to the Acquirer accordingly.