



COMPETITION COMMISSION OF INDIA

(Combination Registration No. C-2020/09/768)

29th September, 2020

Notice under Section 6 (2) of the Competition Act, 2002 filed by Brookfield Private Capital (DIFC) Limited.

CORAM:

Mr. Ashok Kumar Gupta
Chairperson

Ms. Sangeeta Verma
Member

Mr. Bhagwant Singh Bishnoi
Member

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

1. On 2nd September, 2020, the Competition Commission of India (**Commission**) received a notice under Section 6(2) of the Competition Act, 2002 (**Act**), filed by Brookfield Private Capital (DIFC) Limited (**Acquirer**). Notice has been filed pursuant to the execution of the Binding Term Sheet *inter alia* between the promoters of RMZ group, CoWrks India Private Limited (**CoWrks**) and the Acquirer, on 27th August, 2020.
2. The Proposed Combination comprises of the following two acquisitions:
 - 2.1. An affiliate of the Acquirer (**BAM entity**) will acquire sole control over 11 identified real estate projects currently held by RMZ group. These projects are presently housed under RMZ Infotech Private Limited (**RIPL**), RMZ Galleria India Private Limited (**RGIPL**), RMZ North Star Projects Private Limited



(**RNSPPL**), RMZ Ecoworld Infrastructure Private Limited (**REIPL**), RMZ Azure Projects Private Limited (**RAPPL**). RIPL, RGIPL, RNSPPL, REIPL and RAPPL are together referred to as Targets.

- 2.2. BAM entity will acquire 100% equity shareholding in CoWrks India Private Limited (**CoWrks**).
3. It has been submitted that the parties intend to implement the proposed combination through scheme of arrangement to be approved in terms of the Companies Act, 2013; sale and purchase of securities; and / or through a sale of assets / undertaking.
4. In terms of Regulations 14(3) of the Competition Commission of India (Procedure in Regard to the transaction of Business relating to Combinations) Regulations, 2011, the Commission *vide* email dated 14th September, 2020, sought certain information and clarifications *inter alia* on the structure of the proposed combination from the Acquirer. In response, the Acquirer filed its submission on 18th September, 2020.
5. The Acquirer and BAM entity belong to the Brookfield Group, which is stated to be a leading private equity business focused on owning and operating high-quality businesses. It also operates as a leading global alternative asset manager with a focus on real estate, renewable power, infrastructure and private equity. It offers a range of public and private investment products and services and is co-listed on the New York, and Toronto stock exchanges. It invests in businesses that operate within several industries including construction services, commercial and residential real estate services, energy exploration and production, industrial manufacturing, metals and mining, and property development. Brookfield Group has been active in India since 2009 and has executed investments across several sectors such as infrastructure, renewable power and private equity including the commercial real estate sector.
6. The Targets belong to the RMZ group. RMZ Group and CoWrks are ultimately controlled by one or more members of the Menda Family. The RMZ group operates as a group of privately-owned developers, managers, and investors of real estate assets



(primarily office spaces) with assets under management of ~47 million square feet covering operational and under-construction assets across 6 major Indian cities, namely, Bengaluru, Chennai, Delhi NCR, Hyderabad, Mumbai, and Pune.

7. 10 out of the 11 projects housed under the Targets are engaged in the business of leasing their commercial real estate properties to third party entities for use as traditional office spaces. RGIPL, through RMZ Galleria Mall, Bengaluru is engaged in the business of leasing commercial real estate to third party entities for use as retail spaces.
8. CoWrks typically provides, as a service, co-working spaces in India across Bengaluru, Chennai, Delhi NCR, Hyderabad, and Mumbai to third parties for commercial use. Entities engaged in co-working space businesses, lease out traditional office spaces and thereafter, design and install modular fitments to create the co-working space. These co-working spaces are then provided to many individual customers in terms of desks / seats.
9. Both the Acquirer and the Targets are engaged in commercial real estate projects in Bengaluru and Pune. However, their combined market share in terms of both value and volume is less than 5%. The activities of the Acquirer and CoWrks exhibit vertical overlap in Mumbai and Delhi NCR. While the Acquirer is engaged in leasing traditional office space, CoWrks is in the business of taking such space, converting them into desks/ seats and offering them as co-working space. The Commission notes that CoWrks has limited presence in co-working space business in Mumbai and Delhi NCR. Thus, the Proposed Combination is not likely to raise any competition concern.
10. Considering the material on record including the details provided in the Notice and the assessment of the Proposed Combination based on factors stated in Section 20(4) 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. Therefore, the Commission approves the Proposed Combination under Section 31(1) of the Act.



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