



Fair Competition  
For Greater Good

## COMPETITION COMMISSION OF INDIA

(Combination Registration No. C-2014/03/160)

01.05.2014

### Notice u/s 6 (2) of the Competition Act, 2002 given by:

- (a) TAQA India Power Ventures Private Limited;
- (b) Indo-Infra Inc.; and
- (c) India Infrastructure Fund-II (through IDFC Alternatives Limited)

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

1. On 26<sup>th</sup> March, 2014, the Competition Commission of India (hereinafter referred to as the “**Commission**”) received a notice under sub-section (2) of Section 6 of the Competition Act, 2002 (hereinafter referred to as the “**Act**”) given by TAQA India Power Ventures Private Limited (hereinafter referred to as “**TAQA India**”), Indo-Infra Inc. (hereinafter referred to as “**Indo-Infra**”) and India Infrastructure Fund – II (hereinafter referred to as “**IIF-II**”) (hereinafter TAQA India, Indo-Infra and IIF-II collectively referred to as the “**Acquirers**”). The notice was given pursuant to the execution of the Acquisition Agreement, dated 1<sup>st</sup> March 2014, entered into between Jaiprakash Power Ventures Limited (hereinafter referred to as “**JPVL**”), TAQA India, Indo-Infra and IIF-II.
2. TAQA India, a private limited company incorporated in India, is a subsidiary of Abu Dhabi National Energy Company PJSC (hereinafter referred to as “**TAQA PJSC**”). TAQA PJSC is stated to be the ultimate parent company of a diversified international energy group headquartered in Abu Dhabi with interests in the energy sector in various countries (hereinafter referred to as “**TAQA Group**”). TAQA India is stated to be incorporated to invest in and operate power assets in India and provide ancillary services. As per the information provided in the notice, presently, TAQA Group, in addition to its controlling stake in TAQA Neyveli Power Company Private Ltd. (an Indian company that owns and operates a 250 MW power plant in Neyveli, Tamil Nadu), has five percent stake in Himachal Sorang



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- Power Ltd., an Indian company developing a 100 MW Hydro-electric power plant in Himachal Pradesh.
3. Indo-Infra, incorporated under the Canadian Business Corporations Act, 1985, is a wholly owned subsidiary of Public Sector Pension Investment Board (“**PSPIB**”), a Canadian Crown Corporation which acts as an investment manager for amounts transferred to it by the Government of Canada for certain pension funds. Indo-Infra is stated to be incorporated for the purpose of the proposed combination and presently does not manufacture any goods or provide any services.
  4. IIF-II, a Category-I Alternative Investment Fund, registered in India under the provisions of the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 (“**AIF Regulations**”), is stated to be established with the purpose of raising capital for making portfolio investments in infrastructure projects. IDFC Alternatives Limited is the investment manager of IIF-II.
  5. JPVL, a listed company incorporated in India, is primarily engaged in the business of power generation in India.
  6. In terms of Regulation 14 of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 (hereinafter referred to as the “**Combination Regulations**”), vide letter dated 1<sup>st</sup> April 2014, the Acquirers were required to remove certain defects and provide information/document (s) by 7<sup>th</sup> April 2014. The Acquirers filed their reply on 7<sup>th</sup> April 2014. As the response filed by the Acquirers still contained defects, in terms of Regulation 14 of the Combination Regulations, vide letter dated 9<sup>th</sup> April 2014, the Acquirers were again required to remove those defects and provide information/document(s) by 17<sup>th</sup> April 2014. The Acquirers filed their response on 16<sup>th</sup> April 2014.
  7. As per the information provided in the notice, JPVL presently owns and operates, among other projects, (i) the 300 MW Baspa-II hydroelectric power project; and



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- (ii) the 1091 MW Karcham-Wangtoo hydroelectric power project,<sup>1</sup> both situated in Himachal Pradesh [collectively (i) and (ii) referred to as the “**Target Projects**”]. It has been stated in the notice that JPVL would internally restructure its business and transfer the Target Projects into two newly incorporated companies (collectively referred to as “**Target SPVs**”) through a court approved scheme of arrangement; and on transfer of the Target Projects to the Target SPVs, the Acquirers would purchase the entire subscribed and paid up capital of each of the Target SPVs from JPVL, such that TAQA India, Indo-Infra and IIF-II would hold 51 percent, 39 percent and 10 percent stake respectively in each of the Target SPVs.
8. The proposed combination falls under Section 5(a) of the Act.
  9. It is observed that as the Acquirers have only a small presence in power generation in India, the proposed acquisition of the Target SPVs by the Acquirers, is not likely to have any appreciable adverse effect on competition in India.
  10. Considering the facts on record and the details provided in the notice given under sub-section (2) of Section 6 of the Act and the assessment of the combination after considering the relevant factors mentioned 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 appreciable adverse effect on competition in India and therefore, the Commission hereby approves the proposed combination under sub-section (1) of Section 31 of the Act.
  11. This approval is without prejudice to any other legal/statutory obligations as applicable.
  12. This order shall stand revoked if, at any time, the information provided by the parties is found to be incorrect.

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<sup>1</sup> It is stated in the notice that JPVL has sought and it is expected to receive necessary approvals from the relevant authorities to enhance the installed capacity from 1000 MW to 1091 MW.



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13. The Secretary is directed to communicate to the Acquirers accordingly.

(Ashok Chawla)  
Chairperson

(M. L. Tayal)  
Member

(Augustine Peter)  
Member