



Fair Competition
For Greater Good

COMPETITION COMMISSION OF INDIA

(Combination Registration No. C-2014/07/191)

21st August 2014

Notice under Section 6 (2) of the Competition Act, 2002 given by CPP Investment Board Singaporean Holdings 1 Pte. Ltd.

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

1. On 18th July 2014, the Competition Commission of India (hereinafter referred to as the '**Commission**') received a notice under Section 6(2) of the Competition Act, 2002 (hereinafter referred to as the '**Act**'), given by CPP Investment Board Singaporean Holdings 1 Pte. Ltd. (hereinafter referred to as '**CPPIB SHPL**' or '**Acquirer**'), for the proposed subscription of compulsorily convertible preference shares and equity shares of Larsen & Toubro Infrastructure Development Projects Limited (hereinafter referred to as '**L&T IDPL**')
2. CPPIB SHPL is registered as a foreign venture capital investor with the Securities and Exchange Board of India under the provisions of SEBI (Foreign Venture Capital Investor) Regulations, 2000. CPPIB SHPL is a subsidiary of CPP Investment Board (USRE III) Inc., an investment holding company, which in turn is a subsidiary of Canada Pension Plan Investment Board (hereinafter referred to as '**CPPIB**'). CPPIB has been incorporated by an Act of the Canadian Parliament and operates as an investment management corporation.
3. L&T IDPL, a company incorporated under the provisions of Companies Act, 1956, is a subsidiary of Larsen and Toubro Limited (hereinafter referred to as '**L&T**'), a technology, engineering, construction and manufacturing company. L&T IDPL primarily undertakes infrastructure projects developed under the public-private partnership mode ('**PPP**') through the special purpose vehicles ('**SPVs**'). In addition to investing, L&T IDPL also provides support to the SPVs in the form of specialized manpower and services pertaining to the project management, operations and maintenance of assets and other support functions.



COMPETITION COMMISSION OF INDIA



Fair Competition
For Greater Good

4. The proposed combination pertains to subscription by CPPIB SHPL of the compulsorily convertible preference shares and nominal equity shares of L&T IDPL, in accordance with the terms and conditions of the Investment Agreement entered into between L&T, L&T IDPL, CPPIB SHPL and Old Lane Mauritius III Ltd., a minor shareholder in L&T IDPL, on 21st June 2014. As stated in the notice, the proposed combination would entitle CPPIB SHPL to acquire shareholding in L&T IDPL to the extent that post conversion the shareholding of CPPIB SHPL will not exceed forty-nine percent of the equity share capital of L&T IDPL on a fully diluted basis.
5. In terms of Regulation 14 of the Competition Commission of India (Procedure in regard to transaction of business relating to combinations) Regulations, 2011 (hereinafter referred to as '**Combination Regulations**'), vide letter dated 24th July 2014, the Acquirer was required to remove defects and furnish certain information/document(s) by 31st July 2014. The Acquirer filed its response on due date.
6. As already stated, L&T IDPL is primarily engaged in undertaking infrastructure projects developed under the PPP mode through the SPVs. CPPIB SHPL is engaged in the business of making investments in various companies. As per the information submitted by the Acquirer, CPPIB has some minor shareholdings in a few infrastructure development companies as a part of its investment. The horizontal overlaps and vertical relationships in the operations of the parties are too insignificant in terms of raising any competition concern in India. The proposed combination is in the nature of a financial investment by CPPIB SHPL.
7. 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 an 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.
8. This approval is without prejudice to any other legal/statutory obligations as applicable.



COMPETITION COMMISSION OF INDIA



Fair Competition
For Greater Good

9. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.
10. The Secretary is directed to communicate to the Acquirer accordingly.