



सत्यमेव जयते



Fair Competition  
For Greater Good

**COMPETITION COMMISSION OF INDIA**  
**(Combination Registration No. C-2018/09/603)**

**18<sup>th</sup> October 2018**

**Notice under Section 6(2) of the Competition Act, 2002 given by CDPQ Infrastructures Asia II Pte. Ltd.**

**CORAM:**

Mr. Sudhir Mital  
Chairperson

Mr. Augustine Peter  
Member

Mr. U. C. Nahta  
Member

**Legal Representatives of the parties:** Cyril Amarchand Mangaldas

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

1. On 26.09.2018, the Competition Commission of India (“**Commission**”) received a notice under Section 6(2) of the Competition Act, 2002 (“**Act**”) filed by CDPQ Infrastructures Asia II Pte. Ltd. (“**CDPQ Asia**” / “**Acquirer**”).
2. The notice has been filed pursuant to (i) Sale and Purchase Agreement (“**SPA**”), dated 13.09.2018, executed between the Acquirer and CLP GPEC (Mauritius) Holdings Limited (“**CLP Mauritius**” / “**Seller**”), (ii) Shareholders’ Agreement (“**SHA**”), dated 13.09.2018, entered between the Acquirer, CLP India Private Limited (“**CLP India**” / “**Target**”) and the Seller and (iii) partnership deed (“**Partnership Deed**”) dated 13.09.2018 entered between the Acquirer and the Seller. Acquirer also submitted certain additional



सत्यमेव जयते



Fair Competition  
For Greater Good

information(s)/clarification(s) *vide* emails dated 09.10.2018, 10.10.2018, 15.10.2018 and 16.10.2018.

3. The proposed combination has been notified as acquisition of 40% of the issued share capital of the CLP India by CDPQ Asia, from CLP Mauritius. (“**Proposed Combination**”). (Hereinafter, CDPQ Asia, CLP Mauritius and CLP India are collectively referred to as “**Parties**”)
4. CDPQ Asia, incorporated in Singapore, is a wholly owned subsidiary of Caisse de dépôt et placement du Québec (“**CDPQ**”) and forms part of CDPQ Group. CDPQ is a Canadian institutional investor, which acts as an institutional investor that manages funds primarily for public and parapublic pension and insurance plans.
5. CDPQ Asia does not provide similar/identical/substitutable products/services as that of Target in India. However, CDPQ holds 40.28% equity ownership in Azure Power Global Limited, a Mauritius registered company, which in turn holds 96.346% shareholding of Azure Power India Private Limited (“**Azure India**”). Azure India has investments in solar power projects for power generation in India. In addition, CDPQ also has certain investments in companies operating in India.
6. CLP India, incorporated in India and currently owned by CLP Mauritius directly and its through subsidiaries, is engaged in the business of power generation through various sources such as coal, gas and renewable energy sources. CLP India’s ultimate parent, CLP Holdings Limited (HK) (“**CLP**”), is an investor-owner in the energy sector in Asia Pacific, with investments in Hong Kong, Mainland China, India, Australia, Thailand and Taiwan
7. The Commission in its decisional practice in case relating to electricity has noted that the production/distribution chain of electricity consists of three segments: generation, distribution and transmission and that each of these market segments has a distinct set of producers and consumers. Further, from a demand substitutability point of view, switching can only take place internally within each segment. Also, each segment of the electricity supply chain is characterised by competitive dynamics and governed by different regulatory requirements.



सत्यमेव जयते



Fair Competition  
For Greater Good

Accordingly, generation, distribution and transmission of power can be delineated as separate relevant product markets. The market for generation of power may be further segmented on the basis of source of generation viz. (i) renewable sources and (ii) other sources. The market for generation of power through renewable sources may be sub-segmented as market for power generation through (i) solar source and (ii) other renewable sources.

8. In abovementioned production and distribution chain of electricity, activities of the Parties overlap in market for power generation at broader level and each of its abovementioned segments and sub-segments.
9. With regard to relevant geographic market for power generation, the Commission in its decisional practice in case relating to electricity has observed that India has been demarcated into five power transmission regions i.e. Northern, Eastern, Western, Southern and North Eastern sectors. The regions have been synchronously interconnected and operate as a single grid, i.e., the national grid which operates as a single seamless network for transmitting power. Based on demand, the process of transmission of power can take place from any part of India to another part through the interconnected national grid, irrespective of where the power is generated. Based on above, the relevant geographic market can be defined as “*entire territory of India*”.
10. Based on installed capacity, combined market shares of the Parties, as on 31.03.2018 as well as considering potential installed capacities, in market for power generation in India, is in range of [0-5]%, which is not considered as significant to cause any change in competition dynamics. Further, even after considering potential installed capacities, in any of the narrower segments and sub-segments of market for generation of power, as stated above, the combined market share of the Parties does not exceed 15%, which is not considered as significant to cause any appreciable adverse effect on competition.
11. Considering the facts on record, the details provided in the notice given under Section 6(2) of the Act and assessment of the Proposed Combination on the basis of factors stated in Section 20(4) of the Act, the Commission is of the opinion that the Proposed Combination is not likely



सत्यमेव जयते



*Fair Competition  
For Greater Good*

to have any appreciable adverse effect on competition in India and therefore, the Commission hereby approves the same under Section 31(1) of the Act.

12. The Commission, further notes that the non-compete covenant, as entered amongst Parties is beyond what is necessary for the implementation of the proposed combination and therefore not ancillary.
13. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.
14. The information provided by the Acquirer is confidential at this stage in terms of and subject to provisions of Section 57 of the Act.
15. The Secretary is directed to communicate to the Acquirer accordingly.