



सत्यमेव जयते



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2020/02/729)

10th July, 2020

Notice jointly filed by Canada Pension Plan Investment Board and Renew Power 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 24th February, 2020, Competition Commission of India (**Commission**) received a notice (**Notice**) jointly filed by Canada Pension Plan Investment Board (**CPPIB**) and Renew Power Limited (**ReNew**). This Notice has been filed pursuant to the direction of the Commission, communicated *vide* letter dated 21st January 2020, to CPPIB and ReNew to jointly notify the acquisition of 100% share capital of the Ostro Energy Private Limited (**Ostro**) by ReNew. The said acquisition is hereinafter referred to as **Ostro Transaction**.
2. Earlier, on 27th November, 2017, CPPIB gave an notice bearing Combination Registration No. C-2017/11/536, under Section 6(2) of the Competition Act, 2002 (**Act**) regarding its proposed acquisition of about 16.33% of the equity share capital of ReNew (**ReNew Transaction**). ReNew Transaction contemplated the following two acquisitions:
 - *Secondary Acquisition*: Acquisition of equity shares that represent approximately 6.33% of the equity share capital (on a fully diluted basis) of ReNew by CPPIB from Asian Development Bank; and



- *Primary Acquisition*: Acquisition of compulsorily convertible preference shares (CCPS) of ReNew by CPPIB that will mandatorily convert into equity shares amounting to not more than 10% of the equity share capital of ReNew.
3. The Commission approved the ReNew Transaction on 21st December 2017. Ostro, ReNew and Ostro Renewable Power Limited entered into a share purchase agreement on 15th January 2018 with regard to Ostro Transaction. The Ostro Transaction was closed on 28th March 2018 and thereafter, Ostro became a wholly-owned subsidiary of ReNew.
 4. Commission *vide* order dated 21st November 2019, passed under Sections 43A and 44 of the Act, observed that the Ostro Transaction and ReNew Transaction were interconnected. However, CPPIB and ReNew had failed to give notice to the Commission under Section 6(2) of the Competition Act read with Regulation 9(4) of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011. Therefore, the Commission directed ReNew and CPPIB to jointly notify the Ostro Transaction to the Commission.
 5. CPPIB is a professional investment management organization that invests funds of Canada Pension Plan. It invests in public equities, private equities, real estate, infrastructure and fixed income instruments.
 6. ReNew is engaged in the business of power generation through solar and wind energy. Ostro is also engaged in similar line of business. CPPIB is present in renewable power generation segment in India through its stake in ReNew. Further, CPPIB has shareholding in L&T Infrastructure Development Projects Limited (**L&T IDPL**) that is *inter alia* engaged in power generation through wind energy in the state of Tamil Nadu, with an installed capacity of approximately 9 MW. All the power generated through such capacity is used for captive consumption and any surplus power is sold to Tamil Nadu State Electricity Board (**TNEB**).



7. It is observed that the activities of ReNew and Ostro exhibit horizontal overlap in the business of power generation at a broader level. At a narrower level, their activities are identical in the business segment of power generation from renewable power sources. Both ReNew and Ostro are engaged in the business of power generation from solar energy and other renewable power source. Except its stake in ReNew, the presence of CPPIB in power generation in India is limited.
8. For each segment and sub-segments of power generation, the combined market shares of Parties were less than or around 10%. Further, the incremental market share as a result of the combination is also not significant to raise any competition concern. Furthermore, the segment of generation of power in India through solar energy is characterized by presence of several other players such as Azure Power Global Limited, Greenko Energy Holdings, Tata Power Company, ACME Cleantech Solutions and Adani Green Energy. The segment of power generation in India through other renewable sources is also characterized by the presence of several players such as Mytrah Energy, Greenko Energy Holdings, Tata Power, and CLP India.
9. L&T IDPL *inter alia* operates a power transmission line in the State of Karnataka through its subsidiary, Kudgi Transmission Limited (**KTL**). KTL operates a transmission line of 980 circuit km (ckm), out of the total length of transmission lines of ~3.9 lakh ckm in India. REC Transmission Projects Company Limited has awarded a project to L&T IDPL to evacuate Power from NTPC, Kudgi Thermal Power plant, located in Karnataka. Given the limited presence of L&T IDPL in business of transmission of power, the combination was not likely to raise any competition concern.
10. Considering the facts on record, details provided in the Notice given under sub-section (2) of Section 6 of the Act and assessment of the combination based on factors stated in sub-section (4) of Section 20 of the Act, the Commission is of the opinion that the combination is not likely to have any appreciable adverse effect on competition in India and therefore,



Combination Registration No. C-2020/02/729



the Commission, hereby, approves the same under sub-section (1) of Section 31 of the Act.

11. This order shall stand revoked if, at any time, the information provided by the CPPIB and ReNew is found to be incorrect.
12. The information provided by the CPPIB and ReNew 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 CPPIB and ReNew accordingly.