



**COMPETITION COMMISSION OF INDIA**  
(Combination Registration No. C-2019/05/663)

19<sup>th</sup> August, 2019

**Notice under Section 6(2) of the Competition Act, 2002 filed by Canada Pension  
Plan Investment Board**

**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 22<sup>nd</sup> May, 2019, the Competition Commission of India (**Commission**) received a notice (**Notice**) under Section 6(2) of the Competition Act, 2002 (**Act**), filed by Canada Pension Plan Investment Board (**CPPIB/ Acquirer**) regarding its proposed acquisition of shares in Delhivery Private Limited (**DPL/ Target**). The Notice has been given pursuant to the execution of a Share Purchase Agreement and a Deed of Adherence in relation to the Shareholder Agreement dated 20<sup>th</sup> December, 2018, both executed on 18<sup>th</sup> May, 2019. Hereinafter, CPPIB and DPL are collectively referred to as **Parties**.
2. The Commission *vide* letter dated 29<sup>th</sup> May, 2019, issued under Regulation 14(3) of the Competition Commission of India (Procedure in regard to transaction of business relating to combinations) Regulations, 2011 (**Combination Regulations**), directed CPPIB to remove defects in the Notice and furnish certain information. After seeking due extension of time, CPPIB filed its reply on 2<sup>nd</sup> July, 2019. CPPIB was required to furnish further information, *vide* letter dated 16<sup>th</sup> July, 2019, issued under Regulation 19(2) of the Combination Regulations. In response, CPPIB filed its submission on 2<sup>nd</sup> August, 2019.



3. The proposed combination envisages acquisition of 7.97% of the shareholding of DPL by CPPIB, on a fully diluted basis. For such purpose, CPPIB has entered into share purchase agreements with the selling shareholders.
4. CPPIB is a professional investment management organization that invests the funds, not needed by the Canada Pension Plan to pay current benefits. CPPIB invests in public equities, private equities, real estate, infrastructure and fixed income instruments. It is headquartered in Toronto and has offices in London, Hong Kong, Mumbai, Luxembourg, New York, São Paulo and Sydney.
5. DPL is engaged in provision of third party logistics services in India. As part of its logistics services, it provides transportation, warehousing, freight and overall fulfilment services to various customers. Delhivery USA LLC, a wholly-owned subsidiary of DPL also provides last mile logistics solutions / deliveries of cross border shipments through United States Postal Service from India to the United States.
6. CPPIB and DPL do not produce/ provide similar or identical or substitutable products or services either directly or indirectly. However, CPPIB has majority equity stake in Indospace Core, which is stated to be engaged in the business of leasing of space in modern commercial warehouses. Indospace Core currently offers the said service in Delhi, Chennai, Pune and Bangalore. Based on specifications, the warehousing spaces may be classified as Grade A - increased clear height, higher floor load strength, fire safety, energy conservation and park amenities such as all-time security, restrooms for drivers, better proximity to highways and well-maintained internal roads; and Grade B - other spaces. The warehousing spaces leased by Indospace Core are in the nature of the former category.
7. The logistics activities of DPL and the warehousing space leasing business of Indospace Core are placed at different levels of the supply chain. The Commission notes that the business of third party logistics services is characterised by the presence of several organized and unorganized players. It is observed that Indospace Core has considerable presence in the cities of Chennai and Pune. However, the aggregate of the Grade A and Grade B warehousing spaces leased in by DPL in these cities are



insignificant *vis-à-vis* the warehousing space of Indospace Core. Further, the major customers of Indospace Core are largely non-logistics players. Thus, the proposed combination is not likely to incentivize the parties to engage in any activity that would raise competition concern.

8. Considering the facts on record, details provided in the Notice and the 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 to have any appreciable adverse effect on competition in India. Therefore, the Commission approves the Proposed Combination under Section 31(1) of the Act.
9. The Commission further notes that the duration and scope of non-compete covenants as envisaged in transaction documents/agreements, is not ancillary to the Proposed Combination.
10. This order shall stand revoked if, at any time, information provided by Parties is found to be incorrect.
11. The information provided by Parties is confidential at this stage, in terms of and subject to the provisions of Section 57 of the Act.
12. The Secretary is directed to communicate to the Acquirer, accordingly.