



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2019/11/704)

10th December, 2019

Notice under Section 6 (2) of the Competition Act, 2002 filed by Caisse de dépôt et placement du Québec

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 11th November, 2019, Competition Commission of India (**Commission**) received a notice under Section 6(2) of the Competition Act, 2002 (**Act**), filed by Caisse de dépôt et placement du Québec (**CDPQ / Acquirer**). The notice has been filed pursuant to the execution of Securities Subscription Agreement dated 25th October, 2019 (**SSA**) between CDPQ and Piramal Enterprises Limited (**PEL / Target**). (Hereinafter, CDPQ and PEL are together referred to as "**Parties**").
2. The proposed combination relates to subscription of compulsorily convertible debentures (**CCDs**), issued and allotted by way of preferential issue, of the Target by the Acquirer. Upon conversion of these CCDs, the equity shareholding of the Acquirer in the Target will increase from existing 3.68% to 8.99% (**Proposed Combination**).



3. CDPQ, a part of the CDPQ Group, is a institutional fund, which manages and serves depositors which comprises public and private pension and insurance funds in Quebec, Canada. It is a registered foreign portfolio investor under the SEBI (Foreign Portfolio Investors) Regulations, 2019. In India, CDPQ is present through entities, namely, CDPQ India Private Limited (**CDPQ India**), Ivanhoe Cambridge Investment Advisory (India) Private Limited (**Ivanhoe Cambridge India**), Edelweiss Assets Reconstruction Company (**EARC**) *etc.*
4. PEL, an entity listed at National Stock Exchange of India Limited and Bombay Stock Exchange Limited, belongs to Piramal group and has presence in financial services, pharmaceuticals and healthcare insights & analytics. Its financial services business comprises, *inter alia*, wholesale lending, housing finance and alternative asset management. Target also provides wholesale financing to real estate developers, corporate clients, small and medium enterprises (SMEs) and retail housing loans to individual customers. PEL is also present in the financial services sectors through the entities, namely, India Resurgence Fund (**IndiaRF**), India Resurgence ARC Private Limited (**IRARC**), Shriram Capital Limited (**SCL**) *etc.*
5. The Commission noted that the activities of the Parties exhibit horizontal overlaps in the broader business segments of Loans / Lending Services and Asset Reconstruction Services. Further, based on the submission, the Commission noted that the Acquirer's presence (through EARC) in asset reconstruction services segment may exhibit a potential vertical with the Target's loan / lending services. Similarly, a potential vertical relation also exists between the Target's presence (through IRARC) in asset reconstruction services segment with the Acquirer's loans / lending services.
6. In this context, the Commission observed that there will be no change in competitive landscape as a result of the Proposed Combination.
7. 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 proposed combination on the basis of



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factors stated 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 any appreciable adverse effect on competition in India and therefore, the Commission, hereby, approves the same under sub-section (1) of Section 31 of the Act.

8. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.
9. The information provided by the Acquirer shall be treated as confidential in terms of and subject to provisions of Section 57 of the Act.
10. The Secretary is directed to communicate to the Acquirer accordingly.