



सत्यमेव जयते



COMPETITION COMMISSION OF INDIA

(Combination Registration No. C-2021/12/885)

20 December 2021

Notice under Section 6(2) of the Competition Act, 2002 given by Bricklayers Investment Pte. Ltd.

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 2 December 2021, the Competition Commission of India (**Commission**) received a notice under Section 6(2) of the Competition Act, 2002 (**Act**), given by Bricklayers Investment Pte. Ltd. (**GIC Investor/Acquirer**). The notice was given pursuant to the execution of the Share Subscription Agreement dated 29 November 2021 (**SSA**) between the Acquirer, IRB Infrastructure Developers Limited (**IRB/Target**) and certain members of the promoter group of the Target.
2. The proposed combination relates to acquisition of up to 16.94 per cent of the equity share capital of the Target by the Acquirer through the subscription of new shares issued by way of a preferential issue on a private placement on a fully diluted and/or non-fully diluted basis (**Proposed Combination**).



3. On 14 December 2021, the Acquirer made an additional voluntary submission in relation to certain clarifications.
4. GIC Investor was incorporated in May 2019 and is a Special Purpose Vehicle (SPV) organized as a private limited company in Singapore. It is part of a group of investment holding companies managed by GIC Special Investments Private Limited (GICSI). GIC Investor is a foreign direct investor and is a wholly owned subsidiary of GIC Infra Holdings Pte. Ltd. (GIC Infra) which, in turn, is a wholly owned subsidiary of GIC (Ventures) Private Limited (GIC Ventures). GICSI is wholly owned by GIC Private Limited and manages investments in private equity, venture capital and infrastructure. Both GIC Ventures and GICSI are wholly owned by the Minister for Finance, a body corporate established under Section 2(1) of the Minister for Finance (Incorporation) Act, Chapter 183 of Singapore. GIC Ventures has been considered the ultimate parent entity of GIC Investor, and 'GIC Group' refers to a group of investment holding companies managed by GICSI.
5. GIC Group through Cambourne Investment Private Limited (Cambourne), a wholly owned subsidiary of GIC Ventures, holds equity stake in Greenko Energy Holdings (GEH), which is the holding company of the Greenko group of companies. The principal business activity of the Indian subsidiaries of GEH is owning, developing, constructing and maintaining power generation projects.
6. GIC Group also has an investment in GVK Energy Limited (GVK Energy), which operates in the power generation business in India.
7. The Target is a public company incorporated in India in 1998 and is the holding company of the IRB group. Its equity shares are listed on National Stock Exchange of India Limited and BSE Limited. Promoters and promoter group hold 58.46 per cent of the equity stake, and remaining equity stake is held by public shareholders of the Target. IRB group's business is conducted by the Target and project specific SPVs which are



subsidiaries of the Target. The Target has 33 subsidiaries/investee companies in India. Target and its subsidiaries/affiliates/investee companies are referred to as '**Target Group**'/'**IRB Group**' [Hereinafter Acquirer, GIC Group, Target and Target Group are collectively referred to as '**Parties**'].

8. The Target is primarily engaged in carrying out construction works in accordance with engineering, procurement and construction (**EPC**) contracts, providing operation and maintenance (**O&M**) services of roads and highways and undertakes trading activities, mainly with its subsidiaries and joint ventures. The Target is engaged in the EPC and O&M of roads and highways across three business verticals: (a) Build-Operate-Transfer (**BOT**); (b) Hybrid Annuity Model (**HAM**); and (c) Toll-Operate-Transfer (**TOT**).
9. The Target also operates Infrastructure Investment Trusts (**InvIT**)¹ regulated under the Securities Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 (**SEBI InvIT Regulations**). It operates two InvITs, viz., a Public Infrastructure Trust and a Private Infrastructure Trust, set out below:
 - i) **Public Infrastructure Trust**: The Target launched IRB InvIT Fund (**Public InvIT**) in May 2017. The Target transferred seven assets to the Public InvIT and owns approximately 16 per cent of the Public InvIT and continues to run it as the sponsor.
 - ii) **Private Infrastructure Trust**: The Target incorporated IRB Infrastructure Trust, a private InvIT (**Private InvIT**), in August 2019. The Target transferred nine assets to the Private InvIT and holds a controlling stake of 51 per cent in the Private InvIT. GIC Group through its affiliates holds 49 per cent in the Private InvIT.

¹ InvITs are instruments that allow companies to monetise revenue-generating real infrastructure assets such as roads.



10. The Target has ancillary interests in power generation through wind sources, real estate service and the development and operation of airports. The details of the same are as follows:
- a) **Power generation through wind sources:** The Target, through its wholly owned subsidiary Modern Road Makers Pvt. Ltd. (**MRM**), is in the business of power generation through wind energy in Rajasthan. It has entered into an agreement with Jodhpur Vidyut Vitran Nigam Ltd. (**JVVNL**) for selling the generated electricity.
 - b) **Provision of Real Estate services:** The Target has a land bank with land parcels along the Mumbai–Pune Expressway. However, as on date, the land bank has not resulted in the development of any real estate projects by the Target, and the Target does not have any real estate projects in the pipeline.
 - c) **Airports:** The Target, through its wholly owned subsidiary IRB Sindhudurg Airport Pvt. Ltd. (**Airport Subsidiary**), was entrusted to develop a greenfield airport as a Concessionaire on Design-Build-Finance-Operate-Transfer basis.
11. Based on the submissions, it is observed that Parties exhibit horizontal overlaps at the broader level of power generation in India (**Broad Relevant Market**) and at a narrow level of power generation from wind energy in India (**Narrow Relevant Market**). The overlaps have been considered based on the activities of Target through MRM and Acquirer through (i) GEH and (ii) GVK Energy.
12. The Commission decided to leave the delineation of the relevant market open as it was observed that the Proposed Combination is not likely to cause an appreciable adverse effect on competition in any of the relevant markets.
13. Based on the submissions by the Acquirer, the assessment has been carried out in terms of installed capacity and in terms of actual generation. It is observed that the combined



market share of Parties in the Broad Relevant Market is in the range of [0–5%] and in the Narrow Relevant Market is in the range of [5–10%] for financial year 2020–21. The incremental market share of Parties in the Broad Relevant Market as well as in the Narrow Relevant Market is negligible, i.e., less than 1 per cent, as the Target, through MRM, only has a 20 Mega Watt power plant.

14. With regard to vertical and complementary relationships, it is submitted that there are no existing vertical/complementary relationships between the activities of Parties. However, Teestavalley Power Transmission Limited (**TPTL**), an entity in which GIC Group has indirect stake, is involved in the transmission of power in Sikkim. Accordingly, power generated by MRM (in the upstream market of power generation in India) may be considered as the input for TPTL (in the downstream market for power transmission in India). However, in this regard, it is submitted that MRM sells electricity to only one customer, having entered into an agreement with JVVNL, a state entity of the Government of Rajasthan, for selling the electricity generated for 20 years. Further, TPTL has negligible presence in the market for power transmission in India, with the total line length 215 circuit-kms. The market share of Target in the market of power generation in India in terms of installed capacity is also negligible. In view of the foregoing, Parties do not appear to have the ability or the incentive to foreclose competition in any relevant market in India.
15. Considering the material on record, including the details provided in the notice and the assessment of the Proposed Combination based on the 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.
16. This order may be revoked if, at any time, the information provided by the Acquirer is found to be incorrect.



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17. The information provided by the Acquirer shall be treated as confidential in terms of and subject to provisions of Section 57 of the Act.
18. The Secretary is directed to communicate to the Acquirer accordingly.