



03.12.2015

**Notice u/s 6 (2) of the Competition Act, 2002 given by  
Public Sector Pension Investment Board and Grupo Isolux Corsán, S.A.**

**CORAM:**

Mr. Ashok Chawla  
Chairperson

Mr. S. L. Bunker  
Member

Mr. Sudhir Mital  
Member

Mr. Augustine Peter  
Member

Mr. U. C. Nahta  
Member

Mr. M. S. Sahoo  
Member

Mr. G. P. Mittal  
Member

**Legal Representatives of the parties:** M/s Vinod Dhall and tt&a

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

1. On 20.10.2015 the Competition Commission of India ( “**Commission**”) received a notice under sub-section (2) of Section 6 of the Competition Act, 2002 (“**Act**”) filed by Public Sector Pension Investment Board (“**PSP**”) and Grupo Isolux Corsán, S.A. (“**GIC**”)



(collectively “Parties”). The Parties also submitted certain additional information on 04.11.2015, 24.11.2015 and 02.12.2015.

2. For the purpose of the proposed combination, the Parties executed Settlement Agreement (“SA”) on 31.03.2015. The Parties stated that the SA was an interim agreement and was subject to finalisation after an expert determination of certain issues such as equity split, valuations and legal steps required to effect the dissolution of joint venture. It has been stated that following expert determination of the above, the SA was finalised on 24.09.2015. Accordingly, the Parties submitted that for the purpose of section 6(2) of the Act, the SA, the Agreed Structure (as defined in SA) and the email acceptances of the Agreed Structure as communicated on 24.09.2015 together constitute the binding agreement and trigger the filing obligation with the Commission.
3. The proposed combination relates to dissolution of Isolux Infrastructure Netherlands, B. V. (“IIN”), a joint venture between PSP and GIC. Pursuant to the proposed combination, GIC, through its subsidiary Grupo Isolux Corsán Concesiones, S.A., will become the sole owner of the energy business (electric transmission and solar photovoltaic assets) with the exception of the transmission line in the US (“Energy Business”) and PSP, through its subsidiary PSPEUR S.à.r.l, will become the sole owner of the road business (including the transmission line in the US) (“Road Concessions Business”).
4. PSP is incorporated as a Crown Corporation under the Public Sector Pension Investment Board Act of Canada. As stated by the Parties, generally, PSP invests in fixed income instruments and Canadian and foreign listed equities, real estate, private equities, infrastructure and natural resources. PSP has investments in various sectors in India such as oil and gas, construction, mining, infrastructure, automobiles, pharmaceuticals, etc.
5. GIC is an engineering and construction firm with headquarters in Spain. It operates in two business lines namely, concessions, and engineering, procurement and construction services (“EPC”) related to construction, engineering and industrial services, and renewable power. GIC is involved in the EPC business in India through its subsidiaries and IIN.



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6. IIN is a holding company formed in June 2012 and has investments in several infrastructure concessions in the Road Concessions Business and Energy Business (including electric transmission lines and solar photovoltaic energy plants). In India, IIN is involved in the Road Concessions Business and Energy Business through its subsidiaries.
7. As regards the horizontal overlaps in the operations of the Parties, the Commission noted the submission of the Parties that both PSP and GIC are involved in Road Concessions Business and Energy Business in India only through IIN. Other than through IIN, PSP and GIC do not provide similar or identical products or services in India, either directly or indirectly. As regards vertical relationships, the Parties have stated that there are no existing or potential vertical relationships between PSP and IIN. At present, GIC provides EPC services to IIN. Post combination, GIC may provide these services to its own Energy Business and to PSP's Road Concessions Business.
8. The Commission noted that the proposed combination envisages dissolution of IIN, a joint venture of PSP and GIC, and consequent carrying on of the Energy Business by GIC and Road Business by PSP. As mentioned above, at present both PSP and GIC are involved in these business activities in India only through IIN. Accordingly, the proposed combination does not cause any reduction in number of competitors in any market or any change in competition dynamics of the markets in India. Further, given the nature of the activities and the scale of operations of the Parties, the proposed combination is not likely to raise any concerns of vertical foreclosure on account of potential provisioning of EPC services by GIC to PSP's Road Business.
9. Considering the facts on record and the 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 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 an appreciable adverse effect on competition in India in any of the relevant market(s) and therefore, the Commission hereby approves the



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same under sub-section (1) of section 31 of the Act. This order is, however, issued without prejudice to the proceedings under Section 43A of the Act.

10. This order shall stand revoked if, at any time, the information provided by the Parties is found to be incorrect.
11. The Secretary is directed to communicate to the Parties accordingly.