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COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2020/09/770)

12th November 2020

Notice under Section 6 (2) of the Competition Act, 2002 jointly filed by Greenko Energy Holdings and Orix Corporation

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 21st September 2020, the Competition Commission of India (**Commission**) received a notice jointly filed by Greenko Energy Holdings (**GEH**) and Orix Corporation (**Orix**) under Section 6(2) of the Competition Act, 2002 (**Act**). The notice was filed pursuant to the Framework Agreement dated 11th September 2020 executed, *inter alia*, amongst GEH, and Orix (**Framework Agreement**).
2. It is stated that the other parties to the proposed combination are Lalpur Wind Energy Private Limited (**LWEPL**); Etesian Urja Limited (**EUL**); Khandke Wind Energy Private Limited (**KWEPL**); Ratedi Wind Power Private Limited (**RWPPL**); Wind Urja India Private Limited (**WUIPL**); Tadas Wind Energy Private Limited (**TWEPL**); Kaze Energy Limited (**KEL**) and OP&E Management Limited (**OML**). Hereinafter, LWEPL, EUL, KWEPL, RWPPL, WUIPL, TWEPL, KEL and OML are collectively referred to as "**Orix Wind SPVs**". GEH, Orix and Orix Wind SPVs are collectively referred to as "**Parties**".



3. The proposed combination is stated to be carried out by way of two inter-connected steps as set out below:

- i. GEH (and/or a subsidiary of GEH) will acquire 100% equity stake in the Orix Wind SPVs from Orix (**Wind SPVs Acquisition**); and
- ii. Orix will acquire not more than 24% equity stake in GEH (**GEH Shares Acquisition**).

(hereinafter, Wind SPVs Acquisition and GEH Shares Acquisition, are collectively referred to as, “**Proposed Combination**”).

4. In terms of Regulation 14 of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 (**Combination Regulations**), the Commission *vide* email dated 8th October 2020, sought certain information(s)/ clarification(s), *inter alia*, relating to activities of the Parties; the Parties filed response to the same on 22nd October 2020, after seeking extension of time.

5. GEH is a company limited by shares incorporated in Mauritius, and its principal business activity is investment holding. It is holding company of the Greenko Group of Companies (**Greenko Group**). It is stated in the notice that as of 31st March 2020, GEH had 188 subsidiaries based in India and 6 subsidiaries based in Mauritius and Singapore. The principal business activity of Indian subsidiaries is owning, developing, constructing and maintaining power generation projects.

6. GEH is further owned by Cambourne Investment Private Limited (“Cambourne¹”) (belonging to GIC Group²), GVL Group³ and Green Rock B 2014 Limited (Green Rock⁴).

¹ Cambourne holds approximately 65.80% equity stake in GEH. It is a special purpose vehicle organised as a private limited company in Singapore.

² GIC Group is a group of investment holding companies managed by GIC Special Investments Private Limited (GICSI).

³ GVL Group holds approximately 17.7% equity stake in GEH. GVL Group is comprised of Greenko Ventures Limited, GVL Investments Limited, GVL (Mauritius) Limited, GVL Management Services Limited, and Horizontes Capital Partners Limited in each of which Mr. Anil Kumar Chalamalasetty and Mr. Mahesh Kolli have a beneficial interest. The ultimate beneficial owners of GVL Group are Mr. Anil Kumar Chalamalasetty and Mr. Mahesh Kolli.

⁴ Green Rock holds approximately 16.50% stake in GEH. It is acting in its capacity as trustee of the Green Stone A 2014 Trust established by deed of settlement between Abu Dhabi Investment Authority (“**ADIA**”) and Green Rock for the benefit of ADIA.



7. Orix is a limited liability company incorporated in Japan. It is the holding company of the Orix Group of Companies (**Orix Group**) offering services like corporate financial services (financing, leasing, and solutions for small and medium-size enterprises), maintenance leasing (automobile leasing, rental and car sharing and IT-related equipment rentals and leasing), real estate, private equity investments, life insurance, banking and credit, asset management, environment and energy services (including power generation). It is stated in the notice that Orix is present in India in power generation, directly or indirectly, through (a) Orix Wind SPVs which are engaged in power generation through wind energy and (b) Sun Renewables WH Private Limited (**SRWPL**) which is engaged in power generation through solar energy.
8. Orix Wind SPVs, which are being acquired from Orix under Wind SPVs acquisition, are eight wholly-owned subsidiaries of Orix in India that comprise seven special purpose vehicle companies engaged in wind power generation in India; and one company, *i.e.* OML, providing supervisory and management support services to these seven special purpose vehicle companies.
9. In relation to the Wind SPVs Acquisition, it is submitted in the notice that the overlaps assessment has been done between the activities of the Orix Wind SPVs and (i) Greenko Group, (ii) GIC Group, and (iii) ADIA. It is submitted by the Parties that there is an overlap in the power generation sector in India between the Greenko Group (through its subsidiaries/ affiliates) and Orix Wind SPVs. Further, there is a horizontal overlap in the power generation sector in India between GIC Group through its investment in GVK Energy Limited, and Orix Wind SPVs. It is also submitted that there is a horizontal overlap in the power generation sector in India between ADIA through its investment in ReNew Power and Orix Wind SPVs.
10. GEH has confirmed that GVL Group, directly or indirectly, does not have any investments in the power generation (transmission or distribution) sector in India, apart from GEH / Greenko Group. In other words, Mr. Anil Kumar Chalamalasetty and Mr. Mahesh Kolli do not have any investment/ rights/ control in any other entity having presence in power sector in India (apart from GEH).
11. In relation to the GEH Share Acquisition it is stated that overlaps have been considered between: (a) Orix (acquirer in the GEH Shares Acquisition) which is the ultimate parent



company of Orix Group; and (b) GEH (target in the GEH Shares Acquisition) by assuming that GEH includes Orix Wind SPVs. It is submitted that the overlaps between Orix and GEH are considered between SRWPL (including its controlled entities), which is the only Orix entity apart from Orix Wind SPVs engaged in power generation in India and GEH (including Orix Wind SPVs).

12. Based on submissions, it is noted that there is overlap between the Parties in the power generation segment in India. The Parties' have submitted that the relevant market for the horizontal overlaps may be defined as: at a broad level - the market for power generation in India (**Broad Relevant Market**); at a narrower level - the market for power generation through renewable energy sources in India (**Narrow Relevant Market**); and at the narrowest level (i) the market for power generation through wind source in India (**Narrowest Relevant Market A**), and (ii) the market for power generation through solar source in India (**Narrowest Relevant Market B**).
13. In relation to vertical relationship, it is submitted that there is a potential for vertical relationship as Orix Wind SPVs and SRWPL (an indirect investee company of Orix) are engaged in power generation in India (**Upstream Market**) and Teestavalley Power Transmission Limited (**TPTL**), an indirect investee company of GEH⁵ is engaged in power transmission (**Downstream Market**).
14. The Commission decided to leave the delineation of the relevant market open as it was observed that the proposed combination, for the reasons detailed in ensuing paragraph, is not likely to cause an appreciable adverse effect on competition in any of the possible alternative relevant markets that could be delineated.
15. Based on the submissions of the Parties, it is noted that the combined market share of parties in Broad Relevant Market, Narrow Relevant Market, Narrowest Relevant Market A, and Narrowest Relevant Market B, as defined by the parties, is less than 5 per cent in the Broad Relevant Market and maximum between 10 to 20 per cent in the Narrowest Relevant Market, both in terms of installed capacity and actual generation with incremental market share in the range of 0-5 per cent in each of the segments in terms of installed capacity and actual generation. Further, it is submitted that there are other players

⁵ As on the date of the Notice, GEH had not yet acquired equity stake in Teesta Urja Limited (TPTL is a subsidiary of Teesta Urja Limited), however since the transaction has already been approved by the Commission in March 2020 (Combination Registration No. C-2019/12/714), GEH had mapped potential overlaps with TPTL.



in each of the segments such as NTPC, Adani Green, S B Energy, Azure Power, Acme Solar, and Tata Power.

16. In relation to vertical relationship, it is stated that TPTL is one of the transmission licensees operating in India and has miniscule presence in the sector for transmission of electricity, with a market share of less than 1 per cent in terms of circuit kilometres (**cKm**) and there are other players such as Power Grid Corporation of India Limited, Damodar Valley Corporation, MahaTransco – Maharashtra State Electricity Transmission Co. Ltd., Gujarat Energy Transmission Corporation Limited, Madhya Pradesh Power Transmission Company Ltd., and Uttar Pradesh Transmission Corporation Ltd.
17. 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 factors stated in sub-section (4) of Section 20 of the Act, the Commission is of the opinion that Proposed Combination is not likely to have an appreciable adverse effect on competition in India.
18. This order shall stand revoked if, at any time, the information provided by the Parties is found to be incorrect.
19. The information provided by the Parties shall be treated as confidential in terms of and subject to provisions of Section 57 of the Act.
20. The Secretary is directed to communicate to the Parties, accordingly.