



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2020/11/787)

8th December 2020

Notice under Section 6 (2) of the Competition Act, 2002 filed by Odisha Hydro Power Corporation Limited

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 10th November, 2020, Competition Commission of India (**Commission**) received a notice under Section 6(2) of the Competition Act, 2002 (**Act**), filed by Odisha Hydro Power Corporation Limited (**OHPC/Acquirer**). The notice has been filed pursuant to the execution of the Share Sale and Purchase agreement (**SSPA**) by and amongst AES OPGC Holding, AES India Private Limited, the Government of the state of Odisha and Odisha Power Generation Corporation Limited (**OPGC/ Target**), executed on 9th November 2020.
2. The proposed combination involves the acquisition of 49% equity shares by OHPC in OPGC from AES OPGC Holding and AES India Private Limited (**Proposed**



Combination). (Hereinafter, OHPC and OPGC are collectively referred to as the **Parties**).

3. During the process of assessment of the Proposed Combination, certain clarification(s) necessary for the assessment were sought from the Parties; response to the same were received on 3rd December, 2020.
4. OHPC a state government company, is wholly owned and controlled by the Government of Odisha. It (including its subsidiaries, joint ventures or affiliates) is, *inter alia*, engaged in the business of generation of power from renewable sources namely, hydroelectric and solar power.
5. OPGC is a state-owned joint venture enterprise with Government of Odisha holding 51% shareholding and the remaining 49% shareholding held by AES Corporation, U.S.A (through AES OPGC Holding and AES India). It is primarily engaged in the business of power generation by using coal based thermal power plants as well as hydro power plants.
6. The Parties submitted that their business activities horizontally overlap in the generation of power, particularly, hydroelectric power. Based on the overlaps, the Parties have defined the relevant market as, (a) market for generation of power in India (**Broad Relevant Market**); and (b) market for generation of hydroelectric power in India (**Narrow Relevant Market**). Hereinafter, the Broad Relevant Market and Narrow Relevant Market are jointly referred to as “**Relevant Markets**”.
7. The Commission decided to leave the delineation of the relevant market open as the Proposed Combination is not likely to cause an appreciable adverse effect on competition in any of the plausible relevant markets, for the reasons detailed in ensuing paragraph.
8. Based on the submission of the Parties, it is noted that the combined market share of Parties is less than 5% in terms of installed capacity as well as actual power generation and the incremental market share is insignificant in both the Relevant Markets. Further, it is noted that there are other players in each relevant market, *i.e.* in the Broad Relevant Market such as, NTPC Ltd., Tata Power Ltd., Adani Power Ltd.



and Reliance Power Ltd; and in the Narrow Relevant Market such as NHPC Ltd., SJVN Ltd, and NTPC Ltd.

9. 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 the proposed combination is not likely to have an 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.
10. This order shall stand revoked if, at any time, the information provided by the Parties is found to be incorrect.
11. The information provided by the Parties shall be treated as confidential in terms of and subject to provisions of Section 57 of the Act.
12. The Secretary is directed to communicate to the Parties accordingly.