



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2020/03/731)

7th April, 2020

Notice under Section 6 (2) of the Competition Act, 2002 filed by JSW Energy 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 3rd March, 2020, Competition Commission of India (“**Commission**”) received a notice under Section 6(2) of the Competition Act, 2002 (“**Act**”), filed by JSW Energy Limited (“**JEL / Acquirer**”). The notice has been filed pursuant to the execution of Share Purchase Agreement (“**SPA**”) between GMR Energy Limited, GMR Kamalanga Energy Limited (“**GKEL / Target**”) and JEL on 17th February, 2020. [Hereinafter, the Acquirer and the Target are collectively referred to as “**Parties**”].
2. The Proposed Combination envisages acquisition of 100% share capital of the Target by the Acquirer. Pursuant to the Proposed Combination, the Acquirer would acquire sole control of the Target, and the Target will function as a wholly owned subsidiary of the Acquirer.



3. In terms of Regulation 14(3) of the Competition Commission of India (Procedure in regard to transaction of business relating to combinations) Regulations, 2011 (“**Combination Regulations**”), the Commission *vide* email dated 26th March, 2020 issued communication seeking certain information from the Acquirer regarding overlaps. The Acquirer submitted the response on 1st April, 2020.
4. JEL, a public company, belongs to the JSW Group. It has a total power generation capacity of 4,541 Mega Watt (“**MW**”) comprising of thermal (3,140 MW), hydro (1,391 MW) and solar (10 MW). Through its subsidiaries, the Acquirer is also engaged in power generation, power transmission, power trading, coal mining and power equipment manufacturing.
5. GKEL, a public company incorporated in India, belongs to the GMR Group. It operates a coal based thermal power plant located at Kamalanga village in Dhenkanal district of Odisha, which has a capacity of 1,050 MW. It has no subsidiaries, joint ventures or associate companies in India.
6. Based on the submissions, it is observed that the Parties exhibit horizontal overlaps at the broader level of total power generation in India and at a narrow level in thermal power generation sector in India. 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 possible alternative relevant markets.
7. Based on the submission of the Acquirer, the assessment has been carried out in terms of installed capacity and in terms of actual generation in each of the overlapping segment / sub-segment as mentioned above. It is observed that the combined market share of the Parties is [0-5%] and the incremental market share is [0-5%] in each of the segment / sub-segment. Further, there is presence of a large number of big players in each of the segment / sub-segment.



8. It is also submitted that while there is no existing vertical relation between the Parties, there are certain potential vertical overlaps between the Acquirer's subsidiaries and the Target. However, given the miniscule share of the Target in the segment/sub-segment mentioned above, it appears that the Parties do not have any ability or incentive to foreclose competition in any of the segment / sub-segments.
9. Considering the material on record including the details provided in the Notice and the assessment of the Proposed Combination based on 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.
10. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.
11. The information provided by the Acquirer 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 Acquirer accordingly.