



सत्यमेव जयते



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2021/05/837)

30th June 2021

Notice under Section 6(2) of the Competition Act, 2002 given by Adani Green 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 20th May 2021, the Competition Commission of India (**‘Commission’**) received a notice under Section 6(2) of the Competition Act, 2002 (**‘Act’**), given by Adani Green Energy Limited (**‘AGEL’** / **‘Acquirer’**) for the acquisition of the entire shareholding of S.B. Energy Holding Limited (**‘Target’**) (**“Proposed Combination”**)[Hereinafter, the Acquirer and Target are collectively referred to as **‘Parties’**.] The notice was filed pursuant to the execution of Share Purchase Agreements by and between the Acquirer and Softbank Group Capital Limited (**‘Softbank’**) (**‘Softbank SPA’**) and between the Acquirer and Bharti Global Limited (**‘Bharti’**) (**‘Bharti SPA’**), both dated 18th May



2021 (Hereinafter, Softbank and Bharti are collectively referred to as the ‘Sellers’ and Softbank SPA and Bharti SPA are together referred to as the ‘SPAs’).

2. Pursuant to the Proposed Combination, the Acquirer will be the sole shareholder of the Target, and the Target will become a wholly-owned subsidiary of the Acquirer.
3. In terms of Regulations 14(3) of the Combination Regulations, the Commission, *vide* communication dated 4th June 2021, sought certain information and clarifications regarding, *inter alia*, activities of the Parties, market presence, *etc.* The responses were submitted by the Acquirer on 9th June 2021, 11th June 2021 and 12th June 2021.
4. AGEL is a public limited company incorporated in India. It is listed on the stock exchanges BSE Limited and National Stock Exchange of India Limited. The company forms part of the Adani Group. The Adani Group hold 56.29 percent while the remaining is held by public shareholders¹. In India, the Acquirer and its subsidiaries are engaged in the business of (a) power generation through solar energy, wind energy and hybrid energy and (b) the development of solar parks. The other Adani Group entities are engaged in various activities, *viz.*, commercial port operations and integrated logistics; thermal power generation; building, commissioning, operating and maintaining electric power transmission systems; distribution of electricity, *etc.*
5. The Target is headquartered in London, United Kingdom and is part of Softbank group, headquartered in London, United Kingdom. Softbank holds 80 percent shareholding in the Target, whereas the remaining 20 percent shareholding is held by Bharti. In India, the Target, through various Special Purpose Vehicles (SPVs), is engaged in the generation, supply and sale of electricity and energy produced from renewable sources.
6. Based on the information provided in the Notice, the Commission observed that the Parties exhibit horizontal overlaps in the business of power generation at a broader level.

¹ Total S.E. holds 20 percent of the shareholding of the Acquirer.



At a narrower level, the Parties exhibit overlaps in the sub-segment of power generation from renewable sources including wind, solar and hybrid in India.

7. The Commission assessed the Proposed Combination considering both the broader and narrower segments of power generation and power generation through renewable sources and decided to leave the delineation of the relevant market open as the Proposed Combination, for the reasons detailed in ensuing paragraphs, is not likely to cause an appreciable adverse effect on competition in any of the plausible alternative relevant markets that could be delineated.
8. The Commission observed that the total renewable power capacity of the Acquirer and the Target (including under construction and pipeline capacity based on currently awarded projects) is 19.34 GW and 4.95 GW. The above estimates of capacity are expected to be fully built up over the next 5 years resulting in a combined renewable power capacity of around 24.29 GW, post the Proposed Combination. As regards the total likely renewable power capacity to be installed by 2026, the Commission considered various approaches *viz.*, estimation on the basis of the Government of India's target of 450 GW by 2030; projections of installed capacity changes of top 20 competitors considering the information in respect of pipeline capacity as available and submitted by the Parties, and the survey report titled India Renewable Power CEO Survey 2020 issued by Bridge to India Energy Private Limited. As per the most conservative estimates, the combined market share of the Parties in the renewable energy segment was estimated to be around [15-20] percent with an increment of [0-5] percent.
9. The Commission further observed that as both the existing and pipeline capacities underlying the market share estimates are committed for the long term (around 25 years) under the PPAs and considering the general functioning of the power generation sector relating to the execution of PPAs on the basis of bidding, market shares appear to have limited relevance. Accordingly, the Commission considered the information in relation to capacities won by the Parties in FY 2021 and total capacity auctioned in FY 2021 as



obtained from the Centre for Energy Finance Annual Report for 2020-21. The Commission observed that the Acquirer and the Target won around 4.05 GW and 600 MW capacities respectively in FY 2021 out of 19.2 GW of total RE capacity auctioned. The data indicates that the Acquirer is a significant player in the renewable power generation capacity having won the highest share in capacities auctioned but the increment in terms of bids won by the Target and resulting combined presence does not appear to cause any significant change in market dynamics in the renewable power generation segment.

10. Based on the consideration of overall presence of the Parties in terms of installed capacity base and considering the position in the capacity auctions, it appears that the incremental market position resulting from the Proposed Combination is not likely to result in any appreciable adverse effect on competition in the renewable power generation segment.
11. As regards the broader power generation sector is concerned, the Commission observed that the total installed capacity of power generation from all sources, viz. renewable, thermal, nuclear and hydro for India is around 383 GW. Apart from the above discussed presence of the Acquirer in the renewable power generation segment, Adani Power Limited (an Adani Group company) has an installed capacity of around 12.41 GW in thermal power generation. Considering the presence of the Parties in the broader power generation segment, the Proposed Combination is not likely to result in any concerns of appreciable adverse effects on competition in the broader power generation segment.
12. As regards the existing/potential vertical relationships, the Commission observed that considering the specificities of the power generation sector and considering the extent of the Parties presence in the power sector supply chain, the Proposed Combination is not likely to result in conferring the Acquirer any ability or incentive to foreclose competition in any market.



13. 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.
14. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.
15. The information provided by the Acquirer shall be treated as confidential in terms of and subject to provisions of Section 57 of the Act.
16. The Secretary is directed to communicate to the Acquirer accordingly.