



Fair Competition
For Greater Good

COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2019/10/694)

28.11.2019

Notice u/s 6 (2) of the Competition Act, 2002 Filed by Total Holdings SAS

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 16.10.2019, the Competition Commission of India (“**Commission**”) received a notice under Section 6(2) of the Competition Act, 2002 (“**Act**”) filed by Total Holdings SAS (“**Total Holdings**” / “**Acquirer**”). The proposed combination relates to acquisition of 37.40% of the paid up share capital and joint control of Adani Gas Limited (“**AGL**”/ “**Target**”) by Total Holdings (“**Proposed Combination**”). The notice was given pursuant to *inter alia*, Share Purchase Agreement (**SPA**) dated 14.10.2019 executed between Sellers¹ and Total Holdings (“**Transaction Document**”).

¹ Adani Tradeline LLP, Shri Gautam S. Adani / Shri Rajesh Adani (on behalf of S. B. Adani Family Trust), Afro Asia Trade and Investments Limited, Universal Trade and Investments Limited, Worldwide Emerging Market Holding Ltd. and Flourishing Trade and Investment Limited (collectively referred to as ‘**Sellers**’)



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2. 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**”), *vide* email dated 07.11.2019, Acquirer was required to provide certain information(s) /clarification(s) *inter alia*, relating to Transaction Documents; response to the same was received on 15.11.2019, after seeking extension of time. Further, during the course of review of the Proposed Combination by the Commission, the Acquirer submitted certain information(s) /clarification(s) *vide* submissions on 06.11.2019 and 25.11.2019.
3. Total Holdings, a company incorporated in France, is a 100% subsidiary of Total S.A. (“**Total**”), which is the ultimate parent company of the Total group entities worldwide. As submitted, Total, together with its subsidiaries, is an international integrated energy producer and *inter alia*, have presence in oil and gas industry. In India, it is stated that Total Group is present through its subsidiaries, joint ventures and minority interests *inter alia*, engaged in export of natural gas at a wholesale level to Indian coasts where the respective customers purchase the same.
4. AGL, a public company incorporated in India, is a part of Adani Group. As submitted, it is *inter alia*, engaged in the wholesale supply of natural gas, and supply of natural gas through city gas distribution (CGD) networks in various cities e.g. Ahmedabad, Vadodara, to industrial, commercial, domestic and automotive customers in India.
5. It is noted that the Proposed Combination relates to natural gas sector in India. Both Total Group and AGL are engaged in ‘wholesale supply of natural gas in India’, as Total Group exports natural gas to India and AGL is also engaged in the wholesale supply of natural gas in India.
6. With regard to vertical relationship it is stated that Total Group and AGL do not have any existing vertical arrangements between them and are also not engaged in any complementary activities. However, it is noted that the broader market for natural gas is inherently vertically linked and involve several stages to finally reach end consumer. As both Total Group and AGL are present at different segments of overall supply chain of natural gas in India, there is



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potential for vertical relationship between them. While both Total Group and AGL have presence in wholesale supply of natural gas segment (upstream segment); only AGL is present in downstream (retail) supply of natural gas segment in India. The Acquirer has submitted the following relevant market(s) with regard to potential vertical relationship between parties; (i) the wholesale supply of natural gas in India (“**Upstream Market**”) and (ii) downstream (retail) supply of natural gas in India (“**Downstream Market**”).

7. However, since the Proposed Combination is not likely to cause appreciable adverse effect on competition in India, the definition of the relevant market in the present case is being left open.
8. In relation to horizontal overlap, it is noted that the combined market share of the parties in the market for wholesale supply of natural gas in India is not significant to raise any competition concern. Further, there are other players such as GAIL and IOCL present in the market to pose competitive constraints to the parties.
9. With regard to potential vertical relationship, it is noted that the presence of parties is not significant in both Upstream as well as Downstream Market(s) to raise any competition concern. Further, there are other players present in each of above market segments such as GAIL and IOC to pose competitive constraints to the parties.
10. Considering the facts on record and the details provided in the notice given under Section 6(2) of the Act and assessment of the Proposed Combination on the basis of 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 in any of the relevant market(s) and therefore, the Commission hereby approves the same under Section 31(1) of the Act.
11. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.



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12. The information provided by the Acquirer is confidential at this stage in terms of and subject to provisions of Section 57 of the Act.
13. The Secretary is directed to communicate to the Acquirer accordingly.