



**COMPETITION COMMISSION OF INDIA**  
(Combination Registration No.C-2015/12/361)

10.02.2016

**Notice u/s 6 (2) of the Competition Act, 2002 given by:**

- **Gujarat State Petroleum Corporation Limited;**
- **Gujarat State Petronet Limited; and**
- **Bharat Petroleum Corporation Limited**

**CORAM:**

Mr. Devender Kumar Sikri  
Chairperson

Mr. S. L. Bunker  
Member

Mr. Sudhir Mital  
Member

Mr. Augustine Peter  
Member

Mr. U. C. Nahta  
Member

Mr. M. S. Sahoo  
Member

Mr. G. P. Mittal  
Member

**Legal representative of the parties:** M/s Cyril Amarchand Mangaldas

**Order under Section 31(1) of the Competition Act, 2002**

1. On 29.12.2015, the Competition Commission of India (“**Commission**”) received a notice under sub-section (2) of Section 6 of the Competition Act, 2002 (“**Act**”), jointly given by Gujarat State Petroleum Corporation Limited (“**GSPC**”); Gujarat State Petronet Limited (“**GSPL**”); and Bharat Petroleum Corporation Limited (“**BPCL**”) (hereinafter GSPC, GSPL and BPCL are collectively referred to as “**Acquirers**”).



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2. The notice was given pursuant to the execution of a Share Purchase Agreement dated 16.12.2015 executed between the Acquirers, India Infrastructure Development Fund (“IIDF”), India Infrastructure Fund (“IIF”) and IFCI Venture Capital Funds Limited (“IFCI”) (Hereinafter IIDF, IIF and IFCI are collectively referred to as the “Investors”) and Sabarmati Gas Limited (“SGL”).
3. The proposed combination relates to an acquisition, by the Acquirers, of around 49.86 percent of the issued and paid-up share capital of SGL, held at present by the Investors<sup>1</sup> (“Proposed Combination”). The Acquirers currently collectively hold around 50 percent of the issued, subscribed and paid-up share capital of SGL<sup>2</sup>. Accordingly, post the Proposed Combination, the Acquirers would hold a total of around 99.88 percent of the issued, subscribed and paid up capital of SGL<sup>3</sup>.
4. GSPC is a flagship concern of GSPC Group which is an energy conglomerate. GSPC Group companies are present in both the upstream and downstream segments of the energy value chain including exploration and production (“E&P”), gas transmission, city gas distribution (“CGD”) and power generation etc.
5. GSPL, a public limited company is a part of GSPC Group. GSPL is involved in building the infrastructure for transmission of natural gas across the state of Gujarat allowing last-mile linkage to the end-user. GSPL is engaged in laying, building and/or operating natural gas pipelines, CGD networks and generation of electricity through windmills.
6. BPCL is a public limited company primarily engaged in the business of refining and marketing of oil and gas. It also has diversified into E&P and has acquired stakes in certain exploration blocks. Apart from E&P, BPCL through its subsidiaries and joint ventures is also engaged in, inter-alia, activities relating to CGD, liquefied natural gas and pipelines etc.
7. SGL is an unlisted public limited company. As stated by the Parties SGL is under joint control of the GSPC Group, BPCL and the Investors. SGL operates a CGD network in

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<sup>1</sup> The individual shareholding of all the three investors is around 16.62% each.

<sup>2</sup> The individual shareholding of GSPC, GSPL and BPCL is around 11.25%, 13.75% (GSPC Group collectively 25%) and 25% respectively.

<sup>3</sup> The individual shareholding of GSPC, GSPL and BPCL post the Proposed Combination would be around 22.47%, 27.47% (GSPC Group collectively 49.94%) and 49.94% respectively.



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the districts of Gandhinagar, Mehsana and Sabarkantha in Northern Gujarat. SGL predominantly serves four segments, namely, (i) domestic; (ii) industrial; and (iii) commercial customers through a piped natural gas (“PNG”) network and (iv) automobiles, through its CNG outlets.

8. The Commission noted that the Proposed Combination envisages exit of Investors and keeping in view the nature of their existing affirmative veto rights observed that the exit of Investors is not likely to result in a change in competition dynamics in any market in India and the Proposed Combination is thus not likely to result in an appreciable adverse effect on competition in any of the markets in India.
9. Considering the facts on record, details provided in the notice 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, information provided by the parties is found to be incorrect.
11. The Secretary is directed to communicate to the Acquirers accordingly.