



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2019/10/696)

14th November, 2019

Notice under Section 6 (2) of the Competition Act, 2002 filed by Adani Properties Private 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 17th October, 2019, Competition Commission of India (“**Commission**”) received a notice under Section 6(2) of the Competition Act, 2002 (“**Act**”), filed by Adani Properties Private Limited (“**APPL**” / “**Acquirer**”). This notice was filed pursuant to execution of two Share Purchase Agreements (“**SPA**”), namely, SPA between APPL and Bid Services Division (Mauritius) Limited (“**BSDA**” / “**Seller 1**”) on 5th March, 2019, and SPA between APPL and ACSA Global Limited (“**ACSA**” / “**Seller 2**”) on 22nd March, 2019. (Hereinafter, Seller 1 and Seller 2 are collectively referred to as “**Sellers**”).
2. The proposed combination pertains to acquisition of 23.5% equity shares of Mumbai International Airport Limited (“**MIAL**” / “**Target**”) by APPL. APPL proposes to acquire 13.5% shares of MIAL from BSDA and 10% shares of MIAL from ACSA.



3. The Acquirer also made submissions on 6th November, 2019 and 13th November, 2019.
4. APPL is a company registered in India in which SB Adani Family Trust, directly and indirectly, holds 84.41% and the remainder shares are held by Mr Karan G. Adani (15.59%). It has various subsidiaries, associates, affiliates and joint venture entities, which are engaged in the business of, *inter alia*, real estate, ports and logistics, mining, solar PV manufacturing, LPG terminal setup. One of the entity belonging to the Adani group, namely, Adani Enterprises Limited (“AEL”) has won bids conducted by the Government of India to operate, maintain and develop six airports - Ahmedabad, Lucknow, Mangalore, Jaipur, Guwahati and Thiruvananthapuram.
5. MIAL, an entity incorporated in India, is a subsidiary of GVK Airport Holdings Limited, which holds 50.5% shares of MIAL. Other shareholders of MIAL include BSDA (holding 13.5% shares), ACSA (holding 10% shares) and Airport Authority of India (holding 26% shares). MIAL is an ultimate subsidiary of GVK Power and Infrastructure Limited, a listed company. MIAL is engaged in operating, maintaining, developing, designing, constructing, upgrading, modernising, financing and managing the Chhatrapati Shivaji International Airport (“CSIA”) at Mumbai. Its services include activities incidental to air transportation such as operation of terminal, airway facilities, *etc.* MIAL also has a subsidiary, Navi Mumbai International Airport Private Limited (“NMIAPL”), which is responsible for developing Navi Mumbai Airport, a greenfield airport that is currently under construction.
6. The Commission, based on the submissions of APPL, noted that other entities of Adani group and MIAL are engaged in business of development, operation and maintenance of airports. AEL has received Letters of Award (“LOA”) from the Government of India for three out of the six airports, namely, Ahmedabad, Lucknow and Mangalore airports. Further, a 100% subsidiary of Adani Ports & Special Economic Zone (“APSEZ”) i.e., Mundra International Airport Private Limited, operates an airport in Mundra in Gujarat through a special purpose vehicle (“Mundra



Airport”). Mundra Airport has been selected under the Regional Connectivity Scheme (“RCS”) as part of National Civil Aviation Policy of Government of India.

7. The Commission noted that both the Acquirer as well as the Target, directly or indirectly, are engaged in the business of development, operation and maintenance of airport or provision of access to airport facilities / premises. The Commission noted that the relevant product market may be delineated as the ‘market for development, operation and maintenance of airport’ or ‘market for provision of access to airport facilities / premises’. The geographic market, in the present case, appears to be as narrow as each of the airport of the parties (*i.e.* APPL and MIAL), as for providing or availing any services at the airports, the service provider / consumer needs to have access to the facilities / premises of the concerned airport. In such a scenario, the airport itself becomes the relevant geographic market, being the place where the competition dynamics are homogenous and distinct from those prevailing outside such airport(s). Thus, the provision of services at one airport cannot be substituted with other airport. Hence, the relevant geographic market would be each airport.
8. Thus, the relevant market would be ‘market for provision of access to airport facilities / premises at each of the airport of the parties’ or ‘market for development, operation and maintenance of each of the airport of the parties’.
9. Presence of the parties in the same line of business, namely, ‘provision of access to airport facilities / premises at the airport’ or ‘the development, operation and maintenance of airports’ is not likely to raise any competition concerns as presently no other airport wherein Adani group has stake operates within the vicinity of MIAL.
10. With respect to vertical relationships between the parties, the Commission, based on the submission, noted that there does not exist any vertical relationship between the parties to the proposed combination. Furthermore, there is no existing vertical overlap between the activities of the group entities of APPL and MIAL.



11. 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.
12. This order shall stand revoked if, at any time, the information provided by APPL is found to be incorrect.
13. The information provided by APPL shall be treated as confidential in terms of and subject to provisions of Section 57 of the Act.
14. The Secretary is directed to communicate to APPL accordingly.