



**COMPETITION COMMISSION OF INDIA**

(Combination Registration No. C-2015/09/306)



*Fair Competition  
For Greater Good*

**10.12.2015**

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

- Thomas Cook (India) Limited

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

**CORAM:**

Mr. Ashok Chawla

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:** M/s Vinod Dhall and tt&a

1. On 2<sup>nd</sup> September 2015, the Competition Commission of India (hereinafter referred to as the “**Commission**”) received a notice under sub-section (2) of Section 6 of the Competition Act, 2002 (“**Act**”) given by Thomas Cook (India) Limited (“**Acquirer**”).



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2. The proposed combination relates to the acquisition of 100 percent shareholding of Kuoni Travel (India) Private Limited (“**Target**”) by the Acquirer from Kuoni Travel Holding Limited (“**Kuoni Holding**”) and Kuoni Asian Investment (Mauritius) Limited (“**Kuoni Asian**”). (Hereinafter, Kuoni Holding and Kuoni Asian are collectively referred to as the “**Sellers**” and Acquirer and Target are together referred to as the “**Parties**”).
3. The notice was given pursuant to a Share Purchase Agreement dated 7<sup>th</sup> August 2015, entered into and between the Acquirer and the Sellers.
4. The proposed combination falls under section 5 (a) of the Act.
5. In terms of Regulation 14 of Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 (“**Combination Regulations**”), vide letter dated 18<sup>th</sup> September 2015, the Acquirer was required to provide certain information/document(s). As the response submitted by the Acquirer on 5<sup>th</sup> October 2015 was incomplete, another letter was issued on 30<sup>th</sup> October 2015 asking the Acquirers to remove the defects as well as provide certain additional information. Acquirer filed the response to the same on 5<sup>th</sup> November 2015.
6. The Commission, in its meeting held on 27<sup>th</sup> October 2015, decided that certain information be sought from the competitors of the Parties under sub-regulation (3) of regulation 19 of Combination Regulations read with Section 36 of the Act. Accordingly, letters dated 3<sup>rd</sup> November 2015 were sent to 31 enterprises, seeking relevant information.
7. The Acquirer<sup>1</sup>, a public listed company incorporated under the Companies Act, 1956, is engaged in the business of travel and travel related financial services such as leisure travel, travel insurance, foreign exchange, business travel including MICE<sup>2</sup>, visa & passport services etc. It provides these services through its brands “Thomas Cook” and “TCI”.
8. The Acquirer provides both, leisure as well as business travel services. Under leisure travel, the Acquirer, directly or through its subsidiaries offers inbound, outbound and

<sup>1</sup> It is a subsidiary of Fairfax Financial Holdings Limited (“**Fairfax**”). Fairfax is stated to be a financial services company based in Canada with a global presence in insurance and reinsurance.

<sup>2</sup> Meetings, incentives, conferences and events (“**MICE**”).



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domestic services. Outbound services are services offered to Indian nationals visiting destinations outside India. Inbound services are offered to tourists coming into India. In this regard, the Acquirer also offers various individual services such as accommodation, ticketing, excursions and road trips to such travelers. Under domestic leisure travel, the Acquirer offers group and customized tours packages and other travel services such as airport transfers, accommodation, sight-seeing, meals and transport services. Under the business travel segment, the Acquirer caters to the business travel requirements of corporate clients for both domestic and international travel. The services under this segment include travel management and advisory services such as flight reservations, hotel reservations, passport & visa services, foreign exchange and travel insurance.

9. The Target, a private limited company incorporated under the Companies Act, 1956, is also engaged in the provision of travel and travel related services in India through its brands namely, “Kuoni”, “SOTC”, “SITA” and “Distant Frontiers”. Apart from offering individual travel and travel related services such as hotel, air ticket booking, passport and visa etc., the Target also offers package tours (group as well as customized) to outbound, inbound, and domestic travelers.
10. The Commission considered the details provided in the notice, various submissions of the Acquirer from time to time, information received from the competitors along with other relevant information available in public domain and observed that the proposed combination relates to the travel industry in India and the Parties are operating in the travel services business which includes provision of all travel related services e.g. flights, hotel bookings, visa services, insurance, foreign exchange etc. Apart from offering individual travel services such as air tickets & hotel bookings, visa and passport services etc., the Parties also offer package tours to outbound, inbound and domestic travelers. The Parties are also active in the provision of business travel services to corporates. In the present case, the Commission observed that it may not be necessary to delineate a precise relevant market given the absence of competition concerns in various segments within the overall market for travel and travel related services.



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11. The Indian travel industry includes offline travel agencies, online travel agencies and also, individual suppliers of travel products and services. Travel agencies and suppliers of travel related services make available, on a stand-alone and package basis, travel products and services provided by airlines, hotels, car rental companies, destination service providers and other providers. It is noted that the travel services industry has a large number of players (offline and online) offering their services to leisure or business travellers. There are several players such as Cox & Kings, Makemytrip, Yatra, Kesari, Veena World, Cleartrip, Vacations Exotica (Balmer Laurie), TUI, American Express, Carlson Wagonlit, Le Passage To India, Abercrombie & Kent, FCM Travel Solutions, BCD Travels, Riya Travel, Akbar Holidays, D'Pauls, Carnation Holidays, Aman Holidays, Air Travel Bureau, Dewan Holiday, Gem Tours, Heena, Beacon Holidays, Chariot, Maharaja Travel & Tours, Jagdish Travels, Discovery Holidays, Dimension Holidays etc. which offer individual travel services as well as package tours to outbound, inbound and domestic travelers. Many of the above mentioned players are also active in provision of business travel services to corporates. Further, it has been noted that the combined market shares of the Parties are in the range of 0-10 percent both in the broader travel and travel related services market and in various segments within this broader market.
12. With regards to the vertical relationships, it has been noted that Sterling Holiday Resorts (India) Limited ('**SHRIL**'), a subsidiary of the Acquirer, is engaged in the business of providing resort and hotel services which may be considered at different stage/level to the business of the Target. In this regard, it has been stated that currently there are no vertical arrangements between the Parties. The proposed combination does not raise the vertical foreclosure concerns as there are a number of significant players providing resort and hotel services in India.
13. Considering the facts on record and the 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.



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14. This order shall stand revoked if, at any time, the information provided by the Acquirers is found to be incorrect.
15. The Secretary is directed to communicate to the Acquirer accordingly.