



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2021/08/867)

20th September 2021

Notice under Section 6 (2) of the Competition Act, 2002 given by Adani Ports and Special Economic Zones 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 26th August 2021, the Competition Commission of India (**Commission**) received a notice under Section 6(2) of the Competition Act, 2002 (**Act**), filed by Adani Ports and Special Economic Zones Limited (**APSEZ/ Acquirer**). The notice was given pursuant to the the decision of the State Cabinet (Andhra Pradesh) dated 23rd August 2021, granting approval for the sale of 10.40% shareholding of the Government of Andhra Pradesh in Gangavaram Port Limited (**GPL/Target**).
2. The Commission had earlier approved the acquisition of 89.6% shareholding in the Target by the Acquirer (**Initial Acquisition**) *vide* its order dated 12th April 2021 under Section 31(1) of the Act in Combination Registration No. C-2021/03/819. Presently, the Acquirer holds 31.50% shareholding in the Target. The transaction involving acquisition of additional 58.10% shareholding in the Target is yet to be closed. The Proposed Combination envisages acquisition of the remaining 10.4% shareholding of the Target by



the Acquirer. As a result of the Proposed Combination, the Acquirer would hold the entire shareholding of the Target.

3. The Acquirer is a private multi-port operator, which provides integrated port infrastructure services. The Acquirer *inter alia* provides the following services through the ports operated by it; (i) full marine services including pilotage & towage of vessels, berthing and de-berthing; (ii) cargo handling services - loading and unloading of cargo from vessels, movement of cargo to and from port stack yard to berth and *vice-versa*, storage for cargo, loading and unloading of cargo onto trucks or railway rakes for transportation; and (iii) value added services such as bagging and packaging. The Acquirer manages logistics chain through its subsidiary *viz.* Adani Logistics Limited (**ALL**), which is an asset and service based end-to-end logistics service provider across container, bulk, breakbulk, and liquid industries. ALL operates multi-model logistics parks located at Patli (Haryana), Kila-Raipur (Punjab), Kanech (Punjab) and Kishangarh (Rajasthan). The Acquirer also provides dredging and reclamation solutions primarily for port and harbour construction. It currently operates a fleet of dredgers in India. Besides these, the Acquirer also has a large fleet of support vessels and equipment such as multi utility crafts, survey vessels, floating cranes, jack up barges, *etc.*
4. The Target is engaged to own, develop and operate the deep-water port at Gangavaram, Andhra Pradesh, pursuant to a concession agreement on Build-Own-Operate-Transfer basis with Government of Andhra Pradesh for a concession period of thirty years from the date of commercial operations and entitled for a further period of 20 years (two periods of 10 years each). The Government of Andhra Pradesh has allotted 1800 acres of land at Gangavaram for the development of the port. The Target provides cargo handling and marine services, including but not limited to pilotage, berth hire, wharfage, stevedoring, railway rake loading, transporting by rail and road, storing and other activities within its port premises.
5. The Proposed Combination results in transfer from joint control to sole control of the Acquirer over the Target. The facts and circumstances of the case are such the factors



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relevant for assessment of the Proposed Combination and the Initial Acquisition largely remain the same. Thus, as brought out in the above referred order dated 12th April 2021, the Proposed Combination is also not likely to raise any competition concern.

6. 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.
7. This order may be revoked if, at any time, the information provided by the Acquirer is found to be incorrect.
8. The information provided by the Acquirer shall be treated as confidential in terms of and subject to provisions of Section 57 of the Act.
9. The Secretary is directed to communicate to the Acquirer accordingly.