



सत्यमेव जयते



Fair Competition
For Greater Good

COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2015/10/328)

30.12.2015

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

- **E2 Energy Services Private Limited**

Order under sub-section (1) of Section 31 of the Competition Act, 2002 (“Act”)

CORAM:

Mr. Ashok Chawla
Chairperson

Mr. Sudhir Mital
Member

Mr. U. C. Nahta
Member

Mr. M.S. Sahoo
Member

Mr. G. P. Mittal
Member

Legal representative: Cyril Amarchand Mangaldas

1. On 19.10.2015, the Competition Commission of India (“**Commission**”) received a notice given by E2 Energy Services Private Limited (“**E2 Energy**” or “**Acquirer**”) under Section 6(2) of the Competition Act, 2002 (‘**Act**’) pursuant to a Business Transfer Agreement dated 30.09.2015, entered into and between E2 Energy and GTL Limited (“**BTA**”).
2. The proposed combination relates to acquisition of GTL’s operations, maintenance and energy management (“**OME**”) business, which includes, *inter alia*, power and fuel management of long term contracts and fuel supply contracts for mobile network



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- towers and GTL's related human resources, on a going concern basis, by way of a slump sale, by E2 Energy. ("**Proposed Combination**").
3. E2 Energy, a newly incorporated company under the provisions of Companies Act, 2013, is an indirect wholly owned subsidiary of UK based Intelligent Energy Holdings Plc. ("**IEH**"), the holding company of IEH group. IEH is a power systems company which develops, *inter alia*, power-dense fuel cell technologies. At present, IEH is engaged in providing OME services to few towers in India through another subsidiary, namely, Essential Energy India Private Limited ("**EEIL**"). Further, it has been submitted by the Acquirer that EEIL has been appointed as an energy provision contractor to GTL, pursuant to an agreement entered in 2014. This energy provision contract will be subsumed under the Proposed Combination.
 4. GTL, incorporated under the provisions of Companies Act, 1956, is a public limited company listed on the National Stock Exchange of India Limited and the BSE Limited. It is a technology and infrastructure services company with a focus on telecom sector in India. GTL is promoted by Global Holding Corporation Pvt. Ltd. ("**Global**"), a private limited Indian company. As stated by the Acquirer, GTL provides, *inter alia*, OME and network services to telecom operators and tower companies in India. Further, it has been submitted that GTL provides OME services to its associate companies, namely, GTL Infrastructure Limited ("**GIL**") and Chennai Network Infrastructure Ltd ("**CNIL**"), companies engaged in telecom tower business. Post-combination these contracts would be assigned to E2 Energy.
 5. As submitted by the Acquirer, there are more than four lakh telecom towers in India. The OME services in this sector are provided by both the third-parties as well as in-house. The Acquirer has further submitted that there are several national and international players providing OME services through various power modes such as diesel generator set, grid electricity and alternative modes such as solar energy, hydro-energy etc. As submitted by the Acquirer, recently entities like Mahindra Powerol, GE Energy Management etc. and various providers of alternative energy technologies such as fuel cells, solar panels, wind power and biomass technologies, such as, Kotak Urja, Omnigrid Micropower Company, Pace Power System, Ballard Power Systems etc., have entered into the market for provision of OME services.
 6. As stated above, EEIL provides OME services to [50-100] telecom towers in India. Thus, there is horizontal overlap between the businesses of GTL and IEH group in India. However, as the number of towers for which EEIL provides OME services is insignificant in comparison to number of telecom towers in India, this horizontal overlap is not likely to raise any competition concern in India.



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7. As mentioned above there are certain existing and potential vertical relationships between the Parties. First, EEIL has been appointed as an energy provision contractor to GTL and second, E2 Energy will be providing OME services to GTL's associate telecom tower companies GIL and CNIL. However, it is noted that the Proposed Combination does not give rise to the possibility of any vertical foreclosure owing to the presence of a number of existing players as well as new entrants. In addition, the telecom tower companies always have the option of providing OME services in-house.
8. Considering the facts on record and the details provided in the notice given under sub-section (2) of Section 6 of the Act and the assessment of the combination after considering the relevant factors mentioned in sub-section (4) of Section 20 of the Act, the Commission is of the opinion that the combination is not likely to have any appreciable adverse effect on competition in India and therefore, the Commission hereby approves the combination under sub-section (1) of Section 31 of the Act.
9. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.
10. The Secretary is directed to communicate to the Acquirer accordingly.