



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2017/05/512)

15th June, 2017

Notice under Section 6 (2) of the Competition Act, 2002 jointly given by GTL Infrastructure Limited and Chennai Network Infrastructure 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. G.P. Mittal
Member

Legal Representative: AZB & Partners

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

1. On 22nd May, 2017, the Competition Commission of India (hereinafter referred to as the “**Commission**”) received a notice jointly given by GTL Infrastructure Limited (“**GIL**”) and Chennai Network Infrastructure Limited (“**CNIL**”). The proposed combination relates to merger of CNIL into GIL and has been notified pursuant to board resolutions each dated 22nd April, 2017, passed by their respective Board of Directors. (Hereinafter, **CNIL** and **GIL** are collectively referred to as “**Parties**”).



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2. The proposed combination has been filed under sub-section (2) of Section 6 read with sub-section (c) of Section 5 of the Competition Act, 2002. (“**Act**”).
3. GIL, a public limited company incorporated in India and listed on the BSE Limited (“**BSE**”) and the National Stock Exchange of India (“**NSE**”), is engaged in the business of providing passive infrastructure services to various telecom operators across 22 telecom circles in India. It is registered with the Department of Telecommunications (“**DOT**”) as an Infrastructure Provider Category – I (“**IP-I**”) service provider for provision of passive infrastructure services in India.
4. CNIL, a public company incorporated in India and an associate company of GIL, is engaged in the business of providing passive infrastructure services to various telecom operators in 17 telecom circles in India. It is registered with the DOT as an IP-I service provider.
5. Telecom infrastructure in India is stated to be primarily divided into two broad categories: (i) active infrastructure which includes spectrum, switches and microwave equipment and, (ii) passive infrastructure which inter-alia constitutes telecom towers along with the facilities for power back-up. It has been stated that in terms of characteristics and intended use, passive infrastructure and active infrastructure are complementary products for provision of telecom services.
6. The Commission observed that both GIL and CNIL are engaged in the business of providing passive infrastructure services to various telecom operators in India and their operations overlap in 17 telecom circles. However, in the absence of any competition concerns the exact definition of relevant market in the present case is being left open.
7. As per the submission of the Parties, the Commission observed that there is no vertical relationship between the activities of the Parties.
8. The Commission observed that there are more than 600 IP-I service providers registered with the DOT indicating that there is no significant legal or regulatory barriers to enter into the business of providing passive infrastructure services. In circles where operations of both GTL and CNIL overlap, there are a number of other players



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such as Indus Towers Limited, Bharti Infratel Limited, ATC Viom, Reliance Infratel Limited, Bharat Sanchar Nigam Ltd., Vodafone and Idea, which are engaged in business of providing passive infrastructure services.

9. 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 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, the information provided by the Parties is found to be incorrect.
11. The information provided by the parties shall be treated as confidential in terms of and subject to provisions of Section 57 of the Act.
12. The Secretary is directed to communicate to the parties accordingly.