



COMPETITION COMMISSION OF INDIA
(Combination Registration No.C-2017/03/497)

24.05.2017

Notice u/s 6 (2) of the Competition Act, 2002 jointly given by Tata Sons Limited, Tata Steel Limited, Tata Industries Limited, Tata Communications Limited and The Tata Power Company Limited

CORAM:

Mr. S. L. Bunker
Member

Mr. Sudhir Mital
Member

Mr. G. P. Mittal
Member

Legal representative of the parties: M/s AZB & Partners

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

1. On 27.03.2017, the Competition Commission of India (“**Commission**”) received a notice under sub-section (2) of Section 6 of the Competition Act, 2002 (“**Act**”), jointly given by Tata Sons Limited (“**Tata Sons**”), Tata Steel Limited (“**Tata Steel**”), Tata Industries Limited (“**Tata Industries**”), Tata Communications Limited (“**Tata Communications**”) and The Tata Power Company Limited (“**Tata Power**”) (Hereinafter collectively “**Tata Companies**”/ “**Acquirers**”).
2. The notice was given pursuant to the execution of Consent Terms entered into between Tata Sons and NTT Docomo Inc, Japan (“**Docomo**”) signed by Docomo on 20.02.2017 and by Tata Sons on 23.02.2017 (“**Consent Terms/Consent Letter**”).
3. The proposed combination envisages acquisition of 21.63% shareholding in Tata Teleservices Limited (“**TTSL**”/ “**Target**”) by the Acquirers from Docomo pursuant to



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Consent Terms (“**Proposed Combination**”). Tata Sons and Docomo jointly exercise control over TTSL. Post the Proposed Combination, the Acquirers will continue to be in control of TTSL and Docomo will cease to be a shareholder of TTSL resulting in change in control of TTSL from existing joint control of Tata Sons and Docomo to sole control of Tata Sons.

4. In terms of Regulation 14 of the Competition Commission of India (Procedure in regard to transaction of business relating to combinations) Regulations, 2011 (“**Combination Regulations**”), vide letter dated 27.04.2017, the Acquirer was required to remove defects and furnish certain information/document(s) by 02.05.2017. The Acquirers filed their response on 12.05.2017 after seeking extension of time.
5. Tata Sons is the promoter and principal investment holding company of various Tata companies engaged in diverse industry sectors like information systems and communications, engineering, materials, services, energy, consumer products and chemicals. Tata Sons is also the owner of the ‘Tata’ name and several ‘Tata’ trademarks.
6. Tata Steel is an integrated steel manufacturing company. It is engaged in the business of converting heterogeneous raw materials (Iron ore and coal) into customized steel products for customers.
7. Tata Industries is also an investment holding company engaged in incubation/promotion of new business ventures.
8. Tata Communications is a facilities-based service provider of a broad range of integrated communications services. It generates revenue from three business segments-wholesale voice, enterprise and carrier data and others. Tata Communications is also an Internet Service Provider offering connectivity, messaging, Internet telephony and a wide variety of content services. Tata Communications provides international long distance facility and national long distance facility, which is its biggest revenue generator.



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9. Tata Power is a power company with significant presence in segments such as fuel, logistics and generation (thermal, hydro, solar and wind). Broadly, it is involved in generation, transmission, distribution and trading of power in India and abroad.
10. TTSL is a public listed company incorporated in India. Its shareholding is majorly held by Tata companies and Docomo. Tata Companies hold 47.91% and Docomo holds 21.63% in TTSL. TTSL is engaged in the business of wired telephone service, wireless telephone service and Internet and broadband services in 17 telecom circles in India.
11. Docomo is a subsidiary of Nippon Telegraph and Telephone Corporation. It is a telecommunication company providing mobile services via advanced wireless networks. It also offers a wide range of resources and knowhow for development and growth of mobile businesses.
12. The Commission noted that the Tata Sons presently holds 47.91% of the equity shares in the Target. Tata Sons also holds non-cumulative compulsorily convertible preference shares (“CCPS”) in TTSL. In the event Tata Sons converts the CCPS, the equity shareholding of Tata Sons in the Target would increase to 67.92 %. The Proposed Combination envisages exit of Docomo from TTSL and the shareholding of Tata Companies would increase from existing 66.79% to 88.42% in the post-combination scenario. The Commission also noted that Docomo did not have any independent presence in telecom sector. Thus, the change in control over TTSL consequent upon the Proposed Combination is not likely to result in a change in competition dynamics in any market in India and the Proposed Combination is not likely to result in an appreciable adverse effect on competition in any of the markets in India.
13. Considering the facts on record, details provided in the notice 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.
14. This order shall stand revoked if, at any time, information provided by the Acquirers is found to be incorrect.



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15. The information provided by the Acquirers is confidential at this stage in terms of and subject to provisions of Section 57 of the Act.
16. The Secretary is directed to communicate to the Acquirers accordingly.