



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2017/10/532)



Fair Competition
For Greater Good

16.11.2017

Notice u/s 6 (2) of the Competition Act, 2002 jointly given by (i) Al-Amin Investments Ltd.; (ii) Asian Telecommunication Investments (Mauritius) Ltd.; (iii) CCII (Mauritius) Inc; (iv) Euro Pacific Securities Ltd.; (v) Vodafone Telecommunications (India) Ltd.; (vi) Mobilvest; (vii) Prime Metals Ltd.; (viii) Trans Crystal Ltd.; (ix) Omega Telecom Holdings Private Limited; (x) Telecom Investments India Private Limited; (xi) Jaykay Finholding (India) Private Limited; and (xii) Usha Martin Telematics 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

Legal Representatives of the parties: M/s S&R Associates

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

1. On 25.10.2017, the Competition Commission of India (hereinafter referred to as the “**Commission**”) received a notice under Section 6(2) of the Competition Act, 2002 (“**Act**”) jointly filed by (i) Al-Amin Investments Ltd.; (ii) Asian Telecommunication Investments (Mauritius) Ltd.; (iii) CCII (Mauritius) Inc; (iv) Euro Pacific Securities Ltd.; (v) Vodafone Telecommunications (India) Ltd.; (vi) Mobilvest; (vii) Prime Metals Ltd.; (viii) Trans Crystal



Ltd.; (ix) Omega Telecom Holdings Private Limited; (x) Telecom Investments India Private Limited; (xi) Jaykay Finholding (India) Private Limited; and (xii) Usha Martin Telematics Limited (each a “**VIL Shareholder**” or “**Acquirer**” and together “**VIL Shareholders**” or “**Acquirers**”).

2. The said notice was given to the Commission pursuant to resolution passed by the Board of Directors of Vodafone India Limited (“**VIL**”) on 13.09.2017.
3. The proposed combination comprises of reduction of issued, subscribed and paid up equity share capital of VIL by cancelling certain shares issued to the Acquirers. In consideration for the cancellation of shares of VIL held by the Acquirers, VIL proposes to transfer equity shares of Indus Towers Limited (“**Indus**”) held by it to the Acquirers *pro rata* to their shareholding in VIL (“**Proposed Combination**”).
4. The Acquirers are shareholders of VIL and wholly owned indirect subsidiaries of Vodafone Group Plc (“**Vodafone**”) and do not hold interests in any company other than their direct or indirect shareholding in VIL. VIL is a licensed telecom service provider (“**TSP**”) and provide a range of telecommunication services in India.
5. Indus, a joint venture *inter alia* between the entities of Bharti Infratel Limited, VIL and Idea, is engaged in the provision of passive telecommunications infrastructure to TSPs in 15 telecom circles in India.
6. The Commission noted that it has recently considered and approved a combination notice filed by VIL and Idea Cellular Limited relating to merger of their telecommunication businesses¹ (“**Vodafone Idea Combination**”) and that in accordance with the terms of Vodafone Idea Combination, VIL’s shareholding in Indus is outside the purview and VIL is required to dispose off the same prior to completion of the combination. Accordingly, VIL has decided to transfer its equity interest in Indus to its own shareholders.

¹ Combination Registration No. C-2017/04/502 – Order under Section 31(1) of the Act dated 03.10.2017.



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2017/10/532)



*Fair Competition
For Greater Good*

7. The Commission noted that the Proposed Combination envisages exit of VIL from Indus Towers and its replacement with the VIL Shareholders. Considering that VIL and VIL Shareholders are all wholly owned subsidiaries of Vodafone, the share transfer envisaged in the Proposed Combination is not likely to change competition dynamics in any market in India, as ultimate control of Indus is not undergoing any change. However, as during the assessment of the Vodafone Idea Combination, the Commission had considered that VIL would dispose off its shareholding in Indus, the Commission assessed the effect of retention of stake in Indus Towers within the Vodafone Group.
8. The Commission observed that post the Vodafone Idea Combination, the Merged Entity would be jointly controlled by VIL Shareholders and Aditya Birla Conglomerate and pursuant to the Proposed Combination, VIL Shareholders will continue to exercise joint control in Indus along with other shareholders of Indus. Accordingly, for the purpose of competition assessment, the Commission considered the presence of the Merged Entity and that of VIL in the market for provision of passive infrastructure services through telecom towers in India.
9. The Commission while reviewing the Vodafone Idea Combination had observed that both Idea and Vodafone have insignificant presence with their combined market share being less than 5 percent in terms of number of standalone towers and/or number of tenancies and that the assessment does not change significantly even if Idea's share in towers/tenancies of Indus is considered. The Commission is of the opinion that the assessment does not change significantly even if VIL's share in towers/tenancies of Indus is considered. Further, considering the specificities of telecom industry and extent of operations of the Parties, the Commission is of the view that the Proposed Combination is not likely to result in an appreciable adverse effect in market for provision of passive infrastructure services through telecom towers India
10. Considering the facts on record and the details provided in the notice given under Section 6(2) of the Act and assessment of the proposed combination on the basis of factors stated in Section 20(4) of the Act, the Commission is of the opinion that the Proposed Combination is not likely



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2017/10/532)



*Fair Competition
For Greater Good*

to have an appreciable adverse effect on competition in India in any of the relevant market(s) and therefore, the Commission hereby approves the same under Section 31(1) of the Act.

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