

COMPETITION COMMISSION OF INDIA

2nd February, 2012

Combination Registration No. C-2012/01/25

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

1. On 24th January, 2012, the Competition Commission of India (hereinafter referred to as “**Commission**”) received a notice jointly filed by Reliance Infratel Limited (hereinafter referred to as “**RITL**”) and Netizen Rajasthan Limited (hereinafter referred to as the “**NRL**”) under sub-section (2) of Section 6 of the Competition Act, 2002 (hereinafter referred to as “**Act**”). NRL is a wholly owned subsidiary of RITL.
2. The notice relates to a proposed combination wherein NRL would merge into RITL pursuant to implementation of a scheme of amalgamation under Section 391 to 394 of the Companies Act, 1956. The proposed combination falls under clause (c) of Section 5 of the Act.
3. RITL is an unlisted public limited company incorporated under the Companies Act, 1956. As stated in the notice, RITL is engaged in the business of providing passive telecom infrastructure services including telecom tower and optic fibres. RITL’s business is to build, own and operate telecommunication towers, optic fibre cable assets and related assets at designated sites and to provide these passive telecommunication infrastructure assets on a shared basis to wireless service providers and other communication service providers under long term contracts. NRL is an unlisted public limited company incorporated under the Companies Act, 1956. NRL is a wholly owned subsidiary of RITL and the entire equity share capital of NRL is held by RITL. As stated in the notice, NRL holds movie rights acquired from various distributors which have been capitalized as intangible assets. NRL is not engaged in any other business activity except investment.
4. It has been stated in the notice that the proposed combination is being undertaken with a view to reduce administrative cost, removing multiple layer inefficiencies and for achieving operational and management efficiency.
5. As already observed, NRL is not engaged in any other business activity except investment. Further, the ultimate control over the activities of NRL would continue to be managed by RITL subsequent to the implementation of the scheme of amalgamation under Section 391 to 394 of the Companies Act, 1956, and the proposed combination is not likely to have any adverse competitive concern.



6. 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 proposed combination, 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 proposed combination under sub-section (1) of Section 31 of the Act.
7. This approval is without prejudice to any other legal/statutory obligations as applicable.
8. This order shall stand revoked if, at any time, the information provided by the parties to the combination is found to be incorrect.
9. The Secretary is directed to communicate to RITL and NRL accordingly.



Certified True Copy


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