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

- ATC Telecom Tower Corporation Private Limited

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

1. On 28.04.2015, ATC Telecom Tower Corporation Private Limited (‘ATC’ or ‘Acquirer’) filed a notice under sub-section (2) of Section 6 of the Act for the proposed acquisition of the passive infrastructure assets comprising of telecom towers and moveable assets forming part thereof, of KEC International Limited (‘KEC’ or ‘Target’), pursuant to the execution of an Asset Purchase Agreement (‘APA’) entered into between them on 15.04.2015.

2. The Proposed Combination falls under Section 5 (a) of the Act.

3. In terms of Regulation 14 of Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 (‘Combination Regulations’) vide letter dated 13.05.2015, the Acquirer was required to remove certain defects and provide information/document(s) by 18.05.2015; Response to the same was filed by the Acquirer with the timelines.

4. ATC, a company incorporated in India and an indirect subsidiary of American Tower Corporation, is inter-alia engaged in the business of providing passive infrastructure services to various telecom operators in India. For this purpose, ATC is registered with the Department of Telecommunications (‘DOT’) as an Infrastructure Provider Category – I (‘IP-I’) company.

5. KEC, a public listed company in India, is also registered with the DOT as an IP-I company. It is inter-alia engaged in businesses of power transmission and distribution, railways (electrification and signalling), waste water treatment and construction of canals and embankments etc. KEC is also engaged in the provision of passive infrastructure services to various telecom operators in India.
6. 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. Further, passive infrastructure can be provided on a sharing basis to the different telecom operators in the same circle.

7. In this regard, as per the information provided in the notice and other documents on record, while ATC is present in several states in India, KEC, on the other hand, is active only in three states, namely, Chhattisgarh, Meghalaya and Mizoram. However, the exact delineation of relevant market in this regard is being left open as it is observed that the proposed combination is not likely to raise competition concerns in any of the alternative relevant markets in India.

8. As regards the presence of both the Acquirer and the Target in the passive infrastructure services to telecom operators, in India, it is observed that their combined market shares are minimal and several major players such as Indus Towers Limited, Bharti Infratel Limited, Bharat Sanchar Nigam Limited, Idea Cellular Towers Infrastructure Limited, Reliance Infratel Limited, Viom Networks Limited, CTL Infrastructure Limited etc. are present. As regards vertical relationships, it is observed from the information submitted by Acquirer that there is no vertical relationship between them.

9. Considering the facts on record and 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 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.

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