



Fair Competition
For Greater Good

COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2014/08/203)

1st October 2014

Notice under Section 6 (2) of the Competition Act, 2002 given by L&T Technology Services Limited and Dell International Services India Private Limited

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

1. On 19th August 2014, the Competition Commission of India (hereinafter referred to as '**Commission**') received a notice under Section 6 (2) of the Competition Act, 2002 (hereinafter referred to as '**Act**') given by L&T Technology Services Limited (hereinafter referred to as '**L&T India**' or '**Acquirer**') and Dell International Services India Private Limited (hereinafter referred to as '**Dell India**').
2. The proposed combination relates to acquisition by L&T India of certain assets and liabilities of Dell India *inter alia* and incidental to the business of providing engineering services, pursuant to an Asset Purchase Agreement, executed between Dell India and L&T India on 22nd July 2014 (hereinafter referred to as '**India APA**'). As per the notice, the India APA is simultaneous to another transaction which relates to the proposed acquisition of certain assets and liabilities of Dell Product and Process Innovation Services Corp. (hereinafter referred to as '**Dell Delaware**') *inter alia* and incidental to the business of providing engineering services, by L&T Technology Services LLC (hereinafter referred to as '**L&T Illinois**'), pursuant to an Asset Purchase Agreement, entered into between Dell Delaware and L&T Illinois (hereinafter referred to as '**APA**') on 22nd July 2014.
3. Dell India is a group company of Dell Inc., a global information technology ('**IT**') company based in USA. Dell India is predominantly engaged in information technology services and information technology enabled service ('**IT & ITES**'). In addition to engineering services outsourcing, Dell India *inter alia* also provides designing and developing of technology enabled business transformation solutions,



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business consultancy, operating, maintaining and administering data centres and telecommunications networks. Further, as stated in the notice, most of business of engineering services outsourcing of Dell India are supplemental to the business of Dell Delaware.

4. L&T India is a wholly owned subsidiary of Larsen and Turbo Limited. L&T India *inter alia* provides engineering services in the field of industrial products, medical devices, transportation, telecom and process engineering. As stated in the notice, L&T India provides solutions and services *inter alia* in mechanical engineering services, embedded systems services, product lifecycle management, and engineering analytics. L&T Illinois is a wholly owned subsidiary of L&T India.
5. 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 28th August, 2014, the Acquirer was required to remove defects and furnish certain information/document(s). The Acquirer filed its response on 8th September 2014. As the response filed by the Acquirer was incomplete in certain aspects, vide letter dated 17th September 2014, the Acquirer was required to furnish the complete information by 22nd September 2014. The Acquirer filed its response on the due date.
6. As stated, both Dell India and L&T India are engaged in providing engineering services outsourcing business. However, it is observed that Dell India predominantly provides these services by way of exports to Dell Delaware. Further, L&T India does not have any significant presence in engineering services outsourcing business in India as its service customers are mostly based outside India and its significant proportion of revenue comes from exports. As per the notice, there is currently no vertical relationship between the parties to the combination.
7. As aforementioned, both Dell India and L&T India mostly exports their services of engineering services. As per the parties’ submission, L&T India has a market share of less than 10 percent in engineering services business while that of Dell India is insignificant. Also, as per the information submitted by the parties there are other significant competitors operating in this market segment in India such as HCL



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Technologies, Aricent Technologies, Tata Consultancy Services, with relatively higher market share.

8. Considering the facts on record and the 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.
9. This approval is without prejudice to any other legal/statutory obligations as applicable.
10. This order shall stand revoked if, at any time, the information provided by the parties is found to be incorrect.
11. The Secretary is directed to communicate to the Acquirer accordingly.