



Fair Competition  
For Greater Good

**COMPETITION COMMISSION OF INDIA**  
(Combination Registration No.C-2016/04/392)

23<sup>rd</sup> June 2016

**Notice under Section 6 (2) of the Competition Act, 2002 given by  
NTT Data International LLC**

**CORAM**

**S. L. Bunker**  
Member

**Sudhir Mital**  
Member

**U. C. Nahta**  
Member

**G. P. Mittal**  
Member

**Legal Representatives of the parties:** Luthra & Luthra

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

1. On 26<sup>th</sup> April 2016, the Competition Commission of India (“**Commission**”) received a notice filed by NTT Data International LLC (“**NTT**” or “**Acquirer**”) under sub-section (2) of Section 6 of the Competition Act, 2002 (“**Act**”). The notice was given pursuant to execution of a Stock and Asset Purchase Agreement between NTT and Dell Inc. (“**Dell**”) on 27<sup>th</sup> March 2016 (“**SAPA**”).
2. The proposed combination relates to the global acquisition by the Acquirer of the IT and IT enabled Services (“**ITeS**”) business of Dell. As submitted in the notice, the proposed combination would be effected by the Acquirer purchasing the entire shareholding of Dell Systems Corporation, Texas, an indirect subsidiary of Dell.



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3. The proposed combination contemplates as follows:

3.1 In India, the Target Business<sup>1</sup>, is housed in two subsidiaries of Dell, namely Dell Business Process Solutions India Private Limited (“**DBPS**” or “**Target**”) and Dell International Services India Pvt. Ltd. (“**DIS**”). DIS proposes to transfer the relevant assets and employees related to the Target Business to DBPS as a slump sale on a going concern basis.

3.2 Consequent to the above step and as part of the global transaction, DBPS will become an indirect subsidiary of NTT.

4. In terms of Regulation 5(6) of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 (“**Combination Regulations**”), *vide* letter dated 26<sup>th</sup> April 2016, the Acquirer had undertaken to submit original declaration as required under Regulation 9(1) of the Combination Regulations. The Acquirer filed the said declaration on 2<sup>nd</sup> May 2016. Further, in terms of Regulation 14 of Combination Regulations, *vide* letter dated 17<sup>th</sup> May 2016, the Acquirer was required to remove certain defects in the notice and provide requisite information/document latest by 26<sup>th</sup> May 2016. The Acquirer filed its response, after seeking an extension of time.

5. NTT is a US based company engaged in the provision of IT and ITeS. Its ultimate parent company, Nippon Telegraph and Telephone Corporation (“**NTTC**”) is headquartered in Tokyo, Japan and is listed on the stock exchanges of Tokyo and New York. NTTC is engaged in the businesses of: (i) telecommunications, (ii) data communications, (iii) mobile communications, and (iv) IT services. The Government of Japan owns approximately 35 per cent of the said company (NTTC). In India, NTT, through its delivery centers, is engaged in providing IT and ITeS in applications, infrastructure and business process domains.

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<sup>1</sup> The Target Business consist primarily of: (i) IT Outsourcing (“**ITO**”); (ii) Implementation; (iii) Business Process Outsourcing; and (iv) Consulting services.



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6. Dell, a Texas based company, is engaged in, *inter alia*, the business of manufacture and sale of desktops, notebooks, tablets, servers, storage systems etc. It is also engaged in the provision of software for systems management, security etc. In India, Dell is present through its various subsidiaries (including DBPS and DIS) and provides a broad range of services pertaining to IT and ITeS, including business process outsourcing, IT outsourcing etc.
7. Both DBPS and DIS are private limited company, incorporated under the Companies Act, 1956 and are engaged in the provision of a wide range of services relating to IT and ITeS. Further, it has been stated that Dell Systems Corporation, Texas, does not carry out any business activities (relating to the Target Business) in India.
8. The Commission noted that at a broader level, activities of the parties' overlap in the business of IT and ITeS in India. The Commission further noted that the provision of services relating to IT and ITeS can be sub-segmented into Consulting, Implementation Services and ITO services. However, in the instant case as the market share of the parties is insignificant in India, the market definition may be left open.
9. It is observed that the combined market share of the Acquirer and the Target, post-combination, would be insignificant regardless of how the market is delineated. Further, players such as, Tata Consultancy Services, Wipro, IBM etc., with a sizeable market share, are present in each of the sub-segment of the IT and ITeS business in India.
10. On the basis of the submissions of the Acquirer, the Commission observed that there is no vertical relationship between the parties in the business of IT and ITeS in India *i.e.* neither the Acquirer nor the Target is engaged in any activities, pertaining to IT and ITeS business, which are at different stages or levels of the production chain in India.
11. 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



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opinion that the proposed combination is not likely to have 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.

12. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.
13. The information provided by the Acquirer is confidential at this stage in terms of and subject to provisions of Section 57 of the Act.
14. The Secretary is directed to communicate to the Acquirer accordingly.