



**COMPETITION COMMISSION OF INDIA**  
(Combination Registration No. C-2017/07/521)



8<sup>th</sup> August, 2017

**Notice under sub-section (2) of Section 6 of the Competition Act, 2002 given by Green Boat Investment Ltd.**

**CORAM:**

Mr. Devender Kumar Sikri  
Chairperson

Mr. S. L. Bunker  
Member

Mr. Sudhir Mital  
Member

Mr. Augustine Peter  
Member

Mr. U. C. Nahta  
Member

Mr. G. P. Mittal  
Member

**Legal representatives:** Shardul Amarchand Mangaldas & Co.

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

1. On 3<sup>rd</sup> July, 2017, the Competition Commission of India (“**Commission**”) received a notice under sub-section (2) of Section 6 of the Competition Act, 2002 (“**Act**”) filed by Green Boat Investment Ltd (“**Acquirer**”/”**Green Boat**”) (“**Notice**”), in relation to its acquisition of shares of up to 49 percent in Tata Technologies Limited (“**TTL**”/”**Target**”).
2. The notice was filed pursuant to execution of the following agreements dated 15<sup>th</sup> June, 2017, namely: (i) Share purchase agreement entered into between Green Boat, Tata Motors Limited



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- (“TML”), and TTL (“TML SPA”); (ii) Share purchase agreement entered into between Green Boat, Alpha TC Holding Pte. Limited (“Alpha”), and TTL (“Alpha SPA”); (iii) Share purchase agreement entered into between Green Boat, Tata Capital Growth Fund I (“Tata Capital”) and TTL (“Tata Capital SPA”); (iv) Share purchase agreement entered into between Green Boat, Sheba Properties Limited (“Sheba”), and TTL (“Sheba SPA”); and (v) Shareholders’ agreement entered into between Green Boat, TML and TTL (“SHA”).
3. The proposed combination relates to the acquisition of 43.35% shares of TTL by Green Boat from existing shareholders of TTL, namely, TML, Alpha, Sheba, and Tata Capital (“**First Acquisition**”). Simultaneously with or subsequent to the closing of the First Acquisition, Green Boat and TML will acquire certain additional shares (up to 5.55% each) of TTL from other shareholders (i.e., shareholders other than the Tata Group entities and Green Boat). Pursuant to such acquisition, Green Boat and Tata Group will each have the same level of shareholding in TTL, which could each reach up to 49% on a fully diluted basis (“**Second Acquisition**”). The First Acquisition and Second Acquisition together constitute the proposed combination (“**Proposed Combination**”).
  4. Green Boat is a Mauritius based investment holding company. As stated in the notice, Green Boat does not have any investments in India. The ultimate shareholders of Green Boat are certain private equity funds managed by Warburg Pincus LLC (hereinafter, Warburg Pincus LLC, together with its affiliates, is referred to as “**Warburg**”), which is a global private equity firm headquartered in New York, USA. As stated in the notice, Warburg holds shares in companies, which are active in, *inter alia*, information technology – business, process management (“**IT-BPM**”) services and generate some revenues in India.
  5. TTL, a private limited company, incorporated in India, is part of the Tata Group. TTL is a subsidiary of TML, whereby TML holds 70.33% shares of TTL. TTL is engaged in the business of providing engineering outsourcing services, involving engineering and design services, delivering product development (“**ER&D**”) for product manufacturers, such as the automobile industry, aerospace, defence industry, and the industrial heavy machinery industry. ER&D services is a sub-segments of IT-BPM. In addition, TTL is also engaged in the sale of certain software products. As per the submissions made in the notice, a major portion of revenue of TTL is derived from export of its services.



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6. In terms of Regulation 14 of Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 (hereinafter referred to as “**Combination Regulations**”), *vide* letter dated 14<sup>th</sup> July, 2017, Green Boat was required to provide certain information/document(s) which it furnished on 21<sup>st</sup> July, 2017, after seeking extension of time.
7. The Commission observed that while TTL is present in, *inter alia*, provision of ER&D services, Green Boat is not present in the provision of the said services in India. Further, Warburg does not have any, direct or indirect, investments in portfolio companies that are engaged in the provision of ER&D services in India (either through local presence or through sales into India). Thus, at the level of provision of ER&D services there is no overlap between the activities of the Parties.
8. However, as aforementioned Warburg has investments in certain portfolio companies in India, which are engaged in IT-BPM services. At the broader level of provision of IT-BPM services, the Commission observed that there may be limited overlap between the activities of the parties in India. In this regard, the Commission, based on the submission of the Acquirer, observed that the presence of portfolio companies of Warburg in IT-BPM services in India is not significant. Moreover, it was noted by the Commission that the IT-BPM services is fragmented, with several players, such as Infosys, Cognizant, TCS, HCL Technologies and Wipro offering similar services. Accordingly, the Commission observed that the proposed combination is not likely to raise any appreciable adverse effect on competition in India.
9. The Commission, based on the submissions of the Acquirer, observed that none of the top customers and top suppliers of TTL are portfolio companies of Warburg in India or at global level. Moreover, provision of IT-BPM services to any other portfolio company of Warburg by TTL is not significant to raise any competition concern in India.
10. Considering facts on record, details provided in the notice given under sub-section (2) of Section 6 of the Act and assessment 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.



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