



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2019/03/652)

Dated: 4th April, 2019

**Notice under Section 6 (2) of the Competition Act, 2002 given by
Larsen & Toubro Limited**

CORAM:

Mr. Ashok Kumar Gupta
Chairperson

Mr. U. C. Nahta
Member

Ms. Sangeeta Verma
Member

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

1. On 19th March, 2019, the Competition Commission of India (**Commission**) received a Notice under sub-section (2) of Section 6 of the Competition Act, 2002 (**Act**), given by Larsen & Toubro Limited (**L&T/Acquirer**). The Notice has been filed pursuant to a Share Purchase Agreement (**SPA**) dated 18th March, 2019 between L&T and Coffee Day Enterprises Limited, Coffee Day Trading Limited and Mr. V. G. Siddhartha (Hereinafter, collectively referred to as **Sellers**) and Public Announcement (**PA**) dated 18th March, 2019.
2. The proposed combination envisages acquisition of controlling stake of up to 66.15% of the total equity shareholding of Mindtree Limited (**Mindtree/Target**)



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2019/03/652)



on a fully diluted basis by L&T (such proposed acquisition is hereinafter referred to as the **Proposed Combination**). (Hereinafter, Acquirer and Target are collectively referred to as **Parties**.)

3. The above stated equity stake of up to 66.15% of Mindtree is proposed to be acquired in the following manner:
 - 3.1. Acquisition of 20.15% (on fully diluted basis) of the equity share capital of the Target from the Sellers with the intention to acquire control over the Target.
 - 3.2. Acquisition of 31% of the total equity shareholding of the Target through open offer under Regulations 3(1) and 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - 3.3. Acquisition of up to 15% of the equity share capital of the Target by way of stock exchange purchases.
4. Acquirer is the holding company of all the companies belonging to the L&T group and is involved in a diverse range of sectors such as engineering, construction, manufacturing goods, information technology, and financial services. Apart from above, it also caters to entities engaged in various sectors namely hydrocarbon, infrastructure, power, process industries and defence.
5. Acquirer offers its services in Information Technology services (**IT**) and Information Technology Enabled Services (**ITES**) sector through its subsidiaries namely Larsen & Toubro Infotech Limited (**LTI**) and L&T Technology Services Limited (**LTTS**). LTI generally offers various IT consultancy services, and also provides digital solutions to its customers spread across multiple sectors. LTTS



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2019/03/652)



provides engineering research & development and offers end-to-end tech support to its clients.

6. Target, a public listed company, is engaged in the business of providing IT and ITES including IT consulting, digital services, engineering research and development services, cloud services.
7. Broadly, both L&T (through its subsidiaries) and Mindtree are present in the market for “IT and ITES”. Within the IT and ITES, it has been stated that businesses of the Parties exhibit overlaps in (i) IT Consulting; (ii) Hardware Support Services; (iii) IT Implementation Services; (iv) Customer Software Support Services; (v) IT Outsourcing Services and (vi) IT Engineering Services.
8. The Commission decided to leave the exact delineation of relevant market open as it was observed that the Proposed Combination is not likely to cause appreciable adverse effect on competition in any of the possible alternative relevant markets.
9. As per the submission, the market share of the Parties at the broader level i.e. IT and ITES in India is insignificant. Further, the combined market share of the Parties within the above stated overlapping sub-segments of IT and ITES are between [0-5%] and there are other large players operating in the market such as Tata Consultancy Services, Wipro, Infosys, HCL and Tech Mahindra etc.
10. Considering the facts on record, 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 the 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 any 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.



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2019/03/652)



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 Acquirer is confidential at this stage in terms of and subject to provisions of Section 57 of the Act.
13. The Secretary is directed to communicate to the Acquirer accordingly.