



COMPETITION COMMISSION OF INDIA

(Combination Registration No. C-2018/09/602)

18th October, 2018

Notice under Section 6 (2) of the Competition Act, 2002 filed by NBCC (India) Limited.

CORAM:

Mr. Sudhir Mital
Chairperson

Mr. Augustine Peter
Member

Mr. U.C. Nahta
Member

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

1. On 26th September 2018, the Competition Commission of India (hereinafter referred to as the “**Commission**”) received a notice filed by NBCC (India) Ltd. (“**NBCC**”/“**Acquirer**”) pursuant to approval of Government of India regarding takeover of HSCC (India) Ltd by NBCC, *vide* letter dated 13th September, 2018.
2. The proposed combination has been filed under sub-section (2) of Section 6 read with sub-section (a) of Section 5 of the Competition Act, 2002 (“**Act**”), and relates to acquisition of 100 percent equity shareholding in HSCC by NBCC. (hereinafter, HSCC and NBCC are collectively referred to as “**Parties**”)
3. In terms of Regulation 14 of the CCI (Procedure in regard to the transaction of Business relating to Combinations) Regulations, 2011 (“**Combination Regulations**”), *vide* letter dated 01st October, 2018, certain information(s)/ clarification(s) *inter alia*, relating to business model, overlaps were sought from the Acquirer; response to the same was received on 05th October, 2018. Further, Acquirer provided certain clarifications necessary for the assessment of the proposed combination *vide* submissions on 15th and 16th October, 2018.



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4. NBCC, a Central Public Sector Enterprise (“CPSE”) under administrative control of the Ministry of Urban Development, is listed both at the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. It is *inter alia*, engaged in construction sector and operates in segments of project management consultancy (“PMC”); engineering procurement and construction (“EPC”); and real estate development. NBCC has pan India presence and the company has also undertaken projects abroad.
5. HSCC, also a CPSE, incorporated in India, works under the administrative control of the Ministry of Health and Family Welfare and 100% of shareholding of HSCC is owned by the Government of India. It is *inter alia*, engaged in providing healthcare infrastructure consultancy in India such as conceptual studies & management consultancy, procurement, project management, information technology, facility design, engineering studies and logistics & installation. Further, it is stated that majority of assignments undertaken by HSCC have focused towards hospitals.
6. The Commission noted that NBCC and HSCC are both currently engaged in construction sector. The activities of the Parties overlap in the PMC segment. The Commission observed that the Parties do not have a significant presence in any of the markets likely to be affected by the Proposed Combination and the combined entity would continue to face competitive constraints from other players such as Larsen and Toubro, GMR Infrastructure, IRB Infrastructure Developers, Reliance Industrial Infrastructure *etc.* Therefore, the Commission is of the view that that the proposed combination is not likely to have any appreciable adverse effect on competition in any potential relevant market in India.
7. 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 factors stated in sub-section (4) of Section 20 of the Act, the Commission is of the opinion that 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.
8. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.



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9. The Secretary is directed to communicate to the Acquirer accordingly.