



Fair Competition  
For Greater Good

**COMPETITION COMMISSION OF INDIA**  
(Combination Registration No.C-2016/06/411)

9<sup>th</sup> August 2016

**Notice under Section 6 (2) of the Competition Act, 2002 jointly given by  
Computer Sciences Corporation and Hewlett Packard Enterprise Company**

**CORAM**

**Devender Kumar Sikri**  
Chairperson

**S. L. Bunker**  
Member

**Sudhir Mital**  
Member

**Augustine Peter**  
Member

**U. C. Nahta**  
Member

**M.S. Sahoo**  
Member

**G. P. Mittal**  
Member

**Legal Representatives of the parties: Khaitan & Co.**

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

1. On 22<sup>nd</sup> June 2016, the Competition Commission of India (“**Commission**”) received a notice jointly filed by Computer Sciences Corporation. (“**CSC**”) and Hewlett Packard Enterprise Company (“**HPE**”) under sub-section (2) of Section 6 of the Competition Act, 2002 (“**Act**”). The notice was given pursuant to execution of Board Resolution of HPE and CSC dated 23<sup>rd</sup> May 2016 and 24<sup>th</sup> May 2016, respectively.



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2. The proposed combination, structured as a reverse triangular merger, contemplates, as follows:
  - a. Demerger of the Enterprise Services Business (“**Everett Business**”)<sup>1</sup> of HPE to Everett Spinco Inc. (“**Everett**”), a wholly-owned subsidiary of HPE; and
  - b. Merger of Everett Merger Sub Inc. (“**Everett Merger Sub**”), a wholly owned subsidiary of CSC with and into Everett, with Everett being the surviving entity.
  - c. Post consummation of aforementioned steps of the combination, Everett will be a wholly owned subsidiary of CSC. Post-closing hundred percent shareholding of CSC would be held by the existing shareholders of CSC and HPE.

The aforementioned steps are collectively referred to as the ‘**Proposed Combination**’

3. 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 22<sup>nd</sup> June 2016, the Parties had undertaken to submit, *inter alia*, original declaration as required under Regulation 9(1) of the Combination Regulations. The parties filed the said declaration on 30<sup>th</sup> June 2016.
4. CSC, a company incorporated in Nevada, U.S.A and listed on the New York Stock Exchange (“**NYSE**”), is engaged in providing IT services across a range of industries (such as chemical, energy and natural resources, financial services *etc.*) to a variety of customers, including multinational companies, governments and public agencies.

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<sup>1</sup> “**Everett Business**” as provided in the notice is the Enterprise Services Business which broadly includes Infrastructure Technology Outsourcing, Applications, and Business Process Services, including Business Process Outsourcing (“**BPO**”).



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5. HPE, a company incorporated in Delaware, U.S.A and listed on the NYSE, is engaged in IT services, software, storage, server *etc.* and Enterprise Services Business / Everett Business comprising of infrastructure technology outsourcing, applications, and business services, including BPO.
6. The Commission notes that at a broader level, activities of the parties' overlap in the business of IT and ITeS in India. The Commission further observes that the provision of services relating to IT and ITeS can be sub-segmented into Consulting, Implementation Services, ITO services *etc.* In the instant case, the market share of the parties is insignificant in India; hence, the market definition is left open.
7. It is observed that the combined market share of the parties, 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.
8. On the basis of the submissions of the parties, the Commission finds that there exists vertical relationship between businesses of the parties. CSC and its subsidiaries are an indirect sales alliance and resale partners of HPE. However, the vertical relationship between the parties is not likely to raise competition concern in India.
9. 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 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.
10. This order shall stand revoked if, at any time, the information provided by the parties is found to be incorrect.



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11. The information provided by the parties is confidential at this stage in terms of and subject to provisions of Section 57 of the Act.
  
12. The Secretary is directed to communicate to the parties accordingly.