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COMPETITION COMMISSION OF INDIA
(Combination Registration No.C-2018/08/592)

5th September 2018

Notice under Section 6 (2) of the Competition Act, 2002 given by
Atos S.E.

CORAM

Sudhir Mital
Chairperson

Augustine Peter
Member

U. C. Nahta
Member

Legal Representatives of the parties: Trilegal

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

1. On 3rd August 2018, the Competition Commission of India (“**Commission**”) received a notice given by Atos S.E. (“**Atos**” or “**Acquirer**”) under Section 6(2) of the Competition Act, 2002 (“**Act**”) for acquisition of all outstanding shares of Syntel Inc. (“**Syntel**”). The notice was given pursuant to execution of ‘Agreement and Plan of Merger’ entered into between Atos, Syntel and Green Merger Sub Inc. (“**Green Inc.**”) on 20th July 2018.



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2. The proposed combination contemplates merger of Green Inc. (a wholly-owned subsidiary of Atos) into Syntel, with Syntel being the surviving entity and, as a result, Syntel would become indirect wholly-owned subsidiary of Atos. Further, the separate corporate existence of Syntel with all of its rights, privileges, immunities, powers, and franchises shall continue unaffected by its merger with Green Inc.
3. In relation to the proposed combination, Atos made certain additional submissions *vide* its letter dated 23rd August, 2018.
4. Atos, a company incorporated in France, through its subsidiaries provides Information Technology (“IT”) services and solutions worldwide. It offers services such as infrastructure and data management services, cloud services, big data, cybersecurity products and services as well as transactional services. In India, Atos has global delivery center for clients belonging to different industry verticals across Europe, Americas, Asia-Pacific and the Middle East. Atos operates under the following brand names in India: Atos, Atos Consulting, Atos Worldgrid, Bull, Canopy, Unify and Worldline.
5. Syntel, incorporated in Michigan, USA, is a global provider of, *inter alia*, IT services, and knowledge process outsourcing (“KPO”) services. It is listed at NASDAQ. As per the submission, Syntel operates under the business name ‘Syntel’ in India.
6. The Commission notes that at broader level, activities of the parties’ overlap in the business of IT services and IT enabled Services (“ITeS”) in India. The Commission further observes that the provision of services relating to IT and ITeS can be sub-segmented into: (i) IT implementation services, which includes project based services to install, develop and customize IT solutions, assets and processes, and to integrate them with established application, infrastructure and processes; and (ii) IT Outsourcing (“ITO”) services, which includes day-to-day maintaining, enhancing, management and operation of IT services, processes, including infrastructure and business applications through both traditional and cloud deployment models. In the instant case, as the market share of the parties is



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insignificant in India at the broader level of IT and ITeS, as well as at narrower level of ITO and IT implementation services, the delineation of relevant market has been left open.

7. The Commission further notes that the competitors of the parties includes Accenture, Deloitte, IBM, Ernst & Young, McKinsey & Co., Tata Consultancy Services Limited, Wipro, HCL Technologies, Infosys, IBM *etc.*, which exert and would continue to exert competitive constraint on Atos, post-combination.
8. Further, based on the submission of Atos, the Commission notes that Atos and Syntel are not engaged in any activity relating to the production, supply, distribution, storage, sale and service, or trade in products, or provision of services which is at different stages or levels of the production chain in which either of the parties is involved in India. Thus, there does not exist any vertical relationship between the parties.
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. The Commission also observes that the non-compete covenant, to the extent it relates to the duration / time period, is beyond what is necessary for the implementation of the proposed combination and therefore, is not ancillary to the proposed combination in terms of “Guidance on Non-Compete Restrictions” as available on the website of the Commission.
11. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.



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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.