Notice u/s 6(2) of the Competition Act, 2002 given by Capgemini S.E.

CORAM:

Mr. Ashok Kumar Gupta
Chairperson

Ms. Sangeeta Verma
Member

Mr. Bhagwant Singh Bishnoi
Member

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

1. On 01.08.2019, the Competition Commission of India (“Commission”) received a notice under Section 6(2) of the Competition Act, 2002 (“Act”) filed by Capgemini S.E. (“Capgemini”/“Acquirer”).

2. The proposed combination relates to the acquisition by Capgemini of sole control over Altran Technologies S.A. (“Altran”/“Target”) (“Proposed Combination”). Hereinafter, Capgemini and Altran are collectively referred to as “Parties”. For the purposes of the Proposed Combination, Parties have signed the Memorandum of Understanding (“MOU”) on 24.06.2019.

3. During the course of review of the Proposed Combination, the Commission sought certain clarification(s)/information(s), *inter alia*, relating to proposed combination, activities of Parties and overlaps were sought from the Acquirer; response to the same was received on 19.08.2019. (by email on 13.08.2019).
4. Capgemini, a publicly traded company, incorporated in France, is the parent entity of its group. It is stated that Capgemini *inter alia*, provides IT services through its Consulting, Application Services and Other Managed Services business lines, supporting major companies and organizations in creating new products and services within the digital economy. It also provides engineering services through its DEMS business line. It is stated that Capgemini currently holds 11.43% of share capital of Altran.

5. With regard to presence in India, it is stated that Capgemini is present through its six following subsidiaries *viz*; Capgemini Technology Services India Limited; Liquidhub Analytics Private Limited; IGATE Infrastructure Management Services Limited; Liquidhub India Private Limited; Raelle Cyber Solutions Private Limited; and Tcube Software Solutions Private Limited.

6. Altran, a publicly traded company, incorporated in France and is the parent entity of its group. It headquartered in France, and has five “Global Engineering Centres” in India, Mexico, North Africa, Portugal and Ukraine. It is stated to be active on a worldwide basis in the provision of engineering services.

7. In India, Altran is present through Aricent Technologies (Holdings) Limited, Aricent Technologies Private Limited, Global Edge Software Limited and Altran Technologies India Private Limited. It is stated that it provides engineering services for local Indian market catering to primarily three industries *viz.* (i) Semiconductors: chip development, chipset design and validation, embedded software development, and smart energy and industrial automation solutions, (ii) Telecom, and (iii) Entreprise Software and Consumer Internet.

8. Apart from the above three industries, Altran’s Indian entities are stated to have very limited presence in the automotive, energy, industrial & consumer and aeronautics industries in India.

9. Based on the submission of the Parties, there are overlaps in between the activities of the Parties in the provision of engineering services in India (“**Broader Segment**”) and at a narrower level (sub-segments), the Parties have overlap in the provision of engineering services in (i) aeronautics, (ii) energy, (iii) industry and consumers, and (iv) automotive sectors (hereinafter these sub-segments will be referred to as “**Narrower Segments**”).
10. The Commission decided to leave the delineation of the relevant market open as it was observed that the proposed combination, for the reasons detailed in ensuing paragraph, is not likely to cause an appreciable adverse effect on competition in any of the aforesaid identified relevant markets.

11. Based on the submission of the Parties, it is noted that the combined market share of the Parties is insignificant in Broader Segment as well as in Narrower Segments. Further there is presence of other players such as TCS, HCL, Wipro, Cognizant, Cyient, KPIT in these segments. Therefore, it appears that the Proposed Combination is not likely to raise any competition concern in India.

12. Considering the facts on record and the details provided in the notice given under Section 6(2) of the Act and assessment of the Proposed Combination on the basis of factors stated in Section 20(4) 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 in any of the relevant market(s) and therefore, the Commission hereby approves the same under Section 31(1) of the Act.

13. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.

14. The information provided by the Acquirer is confidential at this stage in terms of and subject to provisions of Section 57 of the Act.

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