

**COMPETITION COMMISSION OF INDIA**

20<sup>th</sup> November, 2012

**Combination Registration No.: C-2012/11/89**

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

1. On November 5, 2012, the Competition Commission of India (hereinafter referred to as the “**Commission**”) received a notice under sub section (2) of section 6 of the Competition Act, 2002 (hereinafter referred to as the “**Act**”) of a proposed combination from iGATE Global Solutions Limited (hereinafter referred to as “**IGSL**”) and iGATE Computer Systems Limited (hereinafter referred to as “**ICSL**”) {hereinafter collectively referred to as parties to the combination}. The notice was filed pursuant to a scheme of amalgamation and arrangement under the Sections 391 to 394 read with Section 101 and other applicable provisions of the Companies Act, 1956, approved by the Board of Directors of IGSL and ICSL on 26<sup>th</sup> October, 2012, which provides for the amalgamation of ICSL with IGSL.
2. In terms of Regulation 14 of The Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, on 8<sup>th</sup> November, 2012, IGSL and ICSL were required to provide certain information and document(s), which were furnished by them on 12<sup>th</sup> November, 2012.
3. IGSL, a company incorporated under the Companies Act, 1956 is an indirect subsidiary of iGATE Corporation. iGATE Inc, a wholly owned subsidiary of iGATE Corporation, holds 75.21 percent shares in IGSL and the rest 24.79



percent is held by iGATE Corporation. IGSL is the Indian flagship company of the iGATE Group.

4. ICSL (formerly known as Patni Computer System Limited) is a company incorporated under the Companies Act, 1956. It has been stated in the notice that in May 2011, iGATE Corporation, through its wholly owned Mauritius subsidiary i.e. Pan Asia iGATE Solutions and IGSL, acquired 61.29 percent shares of ICSL from the erstwhile promoters of ICSL and on completion of an open offer of 20 percent to the public shareholders under the SEBI Takeover Code, Pan Asia iGATE Solutions and IGSL together held 81.29 percent shareholding in ICSL. ICSL was finally delisted from the Bombay Stock Exchange and the National Stock Exchange of India Limited with effect from 28<sup>th</sup> May, 2012. As stated in the notice, Pan Asia iGATE Solutions and IGSL now hold 97.47 percent shares of ICSL.
5. The parties to the combination are engaged in providing services in Information Technology (IT) and IT enabled operations solutions including custom application development, IT consulting, software testing, system integration, business process outsourcing and network consulting and integration. It is stated in the notice that there are no vertical arrangements between IGSL and ICSL. The parties to the combination offer services to customers in India and abroad, ranging from insurance and healthcare, manufacturing, retail, banking and financial services, communications, energy and utilities, travel, media and entertainment etc.
6. The proposed combination falls under Section 5(c) of the Act.
7. It is observed from the information provided in the notice and other documents on record that the parties involved in the proposed combination are predominantly engaged in the export of IT and IT enabled services. It is also observed that there are many other companies which are engaged in the business of offering IT and IT enabled services in India and abroad. Moreover, the control over the activities carried on by IGSL and ICSL, before and after the proposed combination.

remains with the iGATE Group. Based on the facts on record and the details provided in the notice, and considering that the proposed combination is a restructuring between the enterprises belonging to the same group, the proposed combination is not likely to give rise to any adverse competition concern in India.

8. Considering the facts on record and the details provided in the notice and the assessment of the proposed combination, the Commission is of the opinion that the proposed combination is not likely to have an appreciable adverse effect on competition in India and therefore, the Commission hereby approves the proposed combination under sub-section (1) of Section 31 of the Act.
9. This approval is without prejudice to any other legal/statutory obligations as applicable.
10. This order shall stand revoked if, at any time, the information provided by the parties to the combination who have given the notice, is found to be incorrect.
11. The Secretary is directed to communicate to the parties to the combination accordingly.



Certified True Copy

  
ANIL K. VASHISHTH  
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Competition Commission of India  
New Delhi  
23/4/12