



**COMPETITION COMMISSION OF INDIA**  
(Combination Registration No. C-2015/10/320)

30<sup>th</sup> November 2015

**Notice under sub-section (2) of Section 6 of the Competition Act, 2002 filed by Indianet Bidco Pte. Limited**

**CORAM:**

Mr. Ashok Chawla  
Chairperson

Mr. S. L. Bunker  
Member

Mr. Sudhir Mital  
Member

Mr. Augustine Peter  
Member

Mr. U. C. Nahta  
Member

Mr. M. S. Sahoo  
Member

Mr. G. P. Mittal  
Member

**Legal Representative of the parties:** Platinum Partners

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

1. On 8<sup>th</sup> October 2015, the Competition Commission of India (“**Commission**”) received a notice under sub-section (2) of Section 6 of the Competition Act, 2002 (“**Act**”) filed by Indianet Bidco Pte. Limited (“**Indianet**” or “**Acquirer**”), pursuant to the execution of Share Purchase Agreement between Serco Nederland B.V. (“**Serco Nederland**”), Serco International S.a.r.l (“**Serco International**”), Serco holdings Limited (“**SHL**”), Serco Group PLC and the Acquirer on 16<sup>th</sup> September 2015 (“**SPA**”).
2. As submitted by the Acquirer, the proposed combination entails acquisition of shares of Serco BPO Holdings Private Limited (“**SBHPL**”), Serco BPO Private



Limited (“**SBPL**”), Eagle BPO Mauritius (“**EBP**”) and Mena Business Services LLC (“**Mena**”). The proposed combination contemplates the following steps: (i) Acquirer will purchase 100% of the equity share capital of SBHPL from Serco Nederland and SHL; (ii) Acquirer will purchase 100% of the equity share capital of SBPL from Serco International and Serco Nederland. Post the consummation of this step, 36.79% of the equity share capital of SBPL is proposed to be held by the Acquirer and the remaining 63.21% of the equity share capital of SBPL is proposed to be indirectly held through SBHPL; (iii) Further, the Acquirer will purchase 100% of the equity share capital of Eagle BPO Mauritius (“**EBP**”) from SHL; and (iv) Acquirer will purchase 100% of the equity share capital of Mena from SHL and Serco IAL Limited. With respect to step (iv) of the proposed combination, it has been submitted that certain shares of Mena are held by certain person(s) and prior to the completion of this transaction, SHL and Serco-IAL Limited shall enter into a share purchase agreement to buy those shares in Mena. The abovementioned steps are collectively referred to as the “**Proposed Combination**”.

3. As stated by the Acquirer, Indianet is a newly incorporated company, registered in Singapore, held by Blackstone Capital Partners (Cayman II) VI L.P. (“**BCP VI**”), a corporate private equity fund managed by the Blackstone group. The Blackstone group is a leading investment and advisory firm.
4. *Presence of Blackstone group in India:* As stated by the Acquirer, Blackstone group has investments in 3 companies in India, namely, Kronos Incorporated (“**Kronos**”), Accuvant Incorporated (“**Accuvant**”) and Ipreo Holdings LLC (“**Ipreo**”), which are engaged in provision of, *inter alia*, IT enabled services at a worldwide level (including India). Kronos is, *inter alia*, engaged in the development and provision of workforce management software. Accuvant is, *inter alia*, engaged in the provision of consulting services specifically focussed on information security. Ipreo is engaged in the business of providing software, data management, marketing intelligence etc. Kronos, Accuvant and Ipreo are collectively referred to as the “**Portfolio Companies**”.
5. As stated by the Acquirer, the Target Companies form part of the Serco Group, a leading provider of IT enabled services such as business process outsourcing services



(“BPO”)<sup>1</sup> and Information Technology Outsourcing (“ITO”)<sup>2</sup> services to clients globally. SBHPL and SBPL are companies incorporated in India under the Companies Act, 1956. EBP is incorporated in Mauritius and Mena is incorporated in Saudi Arabia.

6. With respect to horizontal overlaps, as aforementioned, the Acquirer is a newly incorporated entity and has no commercial operations in India whereas the Target Companies, through subsidiaries (which are also engaged in provision of ITO/BPO services), provide IT enabled services, namely, BPO services and / or ITO services such as, call centre and contract centre services, back office processing, outsourcing services, data processing, development of computer software etc., in India. Accordingly, at present, there is no direct horizontal overlap between the Acquirer and the Target Companies.
7. As stated in the notice, the Blackstone Group, through its Portfolio Companies and the Target Companies, through subsidiaries, are, *inter alia*, engaged in providing IT enabled services such as BPO services and ITO services, in India. Further, given that the Portfolio Companies of the Blackstone Group are, *inter alia*, engaged in the provision of IT enabled services, there is an indirect horizontal overlap between the Acquirer and the Target Companies.
8. In this regard, it has been provided that the market share of the Target Companies and their subsidiaries in India is insignificant. It has been further provided that the combined market share of Portfolio Companies, in the business of ITO/BPO services in India is insignificant. Further, the competitors of the parties include Genpact, TCS BPO, WNS, Firstsource etc. which would provide competitive constraint to the parties to the combination.
9. With respect to the vertical relationship between the parties, it has been submitted that the parties to the combination 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.

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<sup>1</sup> BPO is the outsourcing of business functions or processes that involve third-party service providers taking responsibility for the delivery of the function or process concerned. It may include outsourcing of stand-alone business processes or IT-enabled business processes. BPO includes services such as call centre and contract centre services, back office processing, outsourcing services, data processing, development of computer software etc.

<sup>2</sup> ITO refers to outsourcing all or parts of IT functions to an external party. ITO includes application management and infrastructure management outsourcing services.



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Based on the submission it is observed that there are no vertical relationships between the Target Companies (including their subsidiaries) and any of the Portfolio Companies of Blackstone Group which have commercial operations in India.

10. Considering facts on record, the details provided in the notice 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 an appreciable adverse effect on competition in India and, therefore, the Commission approves the proposed combination under sub-section (1) of Section 31 of the Act.
11. This Order shall stand revoked if, at any time, information provided by the Acquirer is found to be incorrect.
12. The Secretary is directed to communicate to the Acquirer accordingly.