



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2019/04/658)

Dated: 26th April, 2019

Notice under Section 6 (2) of the Competition Act, 2002 given by HULST B.V.

CORAM:

Mr. Ashok Kumar Gupta

Chairperson

Mr. U. C. Nahta

Member

Ms. Sangeeta Verma

Member

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

1. On 11th April, 2019, the Competition Commission of India (**Commission**) received a Notice under sub-section (2) of Section 6 of the Competition Act, 2002 (**Act**), given by HULST B.V. (**Hulst /Acquirer**). The Notice has been filed pursuant to a three Share Purchase Agreements (**SPAs**)¹ dated 6th April, 2019, executed by and amongst (i) Hulst, NIIT Technologies Limited (**NIIT Tech/Target**) and NIIT Limited (**SPA 1**); (ii) Rajendra Singh Pawar, Neeti Pawar, Pawar Family Trust and NIIT (**SPA 2**) and (iii) Vijay Kumar Thadani, Renuka Kumar Thadani, Thadani Family Trust and NIIT (**SPA 3**), and Public announcement (**PA**) dated 6th April, 2019. (Hereinafter, Acquirer and Target are collectively referred to as **Parties**).

¹ Together SPA 1, SPA 2 and SPA 3.



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2019/04/658)



2. The Acquirers were required to provide certain information, the responses to the same were filed on 23rd April, 2019 and 26th April, 2019 respectively.
3. The proposed combination envisages acquisition of up to 71% of the total equity shareholding of NIIT Tech by Hulst (**Proposed Combination**).
4. The above stated equity stake of up to 71% of NIIT Tech is proposed to be acquired in the following manner:
 - 4.1. Acquisition of approximately 30.04% of the share capital on a fully diluted basis (as of 31st March, 2019) of the Target from the Promoter and Promoter Group² under SPAs.
 - 4.2. Acquisition of additional 26 % of the shares of the Target through open offer pursuant to the requirements of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - 4.3. Acquisition of 15% share capital of the Target on the open market.
5. Acquirer is a company incorporated in Netherlands and is indirectly owned and controlled by Fund VII³, part of the Baring Group⁴. Baring Private Equity Asia (**Baring**) is an international private equity firm with a focus on private equity investments in Asia. Baring and its affiliates advise private equity funds active in several different markets.

² NIIT Limited, Rajendra Singh Pawar, Neeti Pawar, Pawar Family Trust, Vijay Kumar Thadani, Renuka Kumar Thadani, Thadani Family Trust.

³ The Baring Asia Private Equity Fund VII, L.P., The Baring Asia Private Equity Fund VII, L.P.1, and The Baring Asia Private Equity Fund VII, SCSp (together, **Fund VII**).

⁴ The Baring Group includes private equity funds set up by the Baring Group and entities through which the Baring Group's private equity funds make investments.



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2019/04/658)



6. Baring Asia Private Equity Fund V, L.P. has invested in and controls HT Global IT Solutions Holdings Ltd., which owns approximately 62.59% of the shares in Hexaware Technologies Limited (**Hexaware**). Hexaware offers various Information Technology (**IT**) and Information Technology Enabled Services (**ITES**) services such as IT Outsourcing services (**ITO**), Business Process Outsourcing (**BPO**), IT implementation services and IT consulting services.
7. Target is a global IT solutions provider, servicing customers across the America, Europe, Asia, and Australia. It is differentiated on the strength of its industry expertise, and services clients in travel and transportation, banking and financial services, insurance, manufacturing and media verticals, offering a range of services, including application development and maintenance, infrastructure management, and business process management.
8. Broadly, both Acquirer (through Hexaware) and Target are present in the market for “IT and ITES”. Within the IT and ITES, it has been stated that businesses of the Parties exhibit overlaps in (i) IT consulting; (ii) BPO; (iii) IT implementation services and (iv) ITO.
9. The Commission decided to leave the exact delineation of relevant market open as it was observed that the Proposed Combination is not likely to cause appreciable adverse effect on competition in any of the possible alternative relevant markets.
10. As per the submission, the market share of the Parties at the broader level i.e. IT and ITES in India is insignificant. Further, the combined market share of the Parties within the above stated overlapping sub-segments of IT and ITES are between [0-5%] and there are other large players operating in the market such as Tata Consultancy Services, Infosys, IBM, Wipro, etc.



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2019/04/658)



11. Considering the facts on record, 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 the 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 any appreciable adverse effect on competition in India. Therefore, the Commission, hereby, approves the Proposed Combination under sub-section (1) of Section 31 of the Act.
12. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.
13. The information provided by the Acquirer is confidential at this stage in terms of and subject to provisions of Section 57 of the Act.
14. The Secretary is directed to communicate to the Acquirer accordingly.