



**COMPETITION COMMISSION OF INDIA**  
(Combination Registration No.C-2020/11/783)

11<sup>th</sup> January 2021

**Notice under Section 6 (2) of the Competition Act, 2002 jointly filed by Austin HoldCo Inc., Atago Investment Pte Ltd. and CPP Investment Board Private Holdings (4) Inc.**

**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 06.11.2020, Competition Commission of India (**Commission**) received a notice under sub-section (2) of Section 6 of the Competition Act, 2002 (**Act**) jointly filed by Austin HoldCo Inc., Atago Investment Pte Ltd. (**GIC Investor**) and CPP Investment Board Private Holdings (4) Inc (**CPPIB Investor**). The notice has been filed pursuant to the Merger Agreement dated 09.09.2020 (**Merger Agreement**) between Austin HoldCo Inc., Austin Bidco Inc. and Virtusa Corporation (**Virtusa**), and the Interim Investors Agreement dated 29.09.2020, executed by, *inter alia*, Austin HoldCo, Merger Sub, GIC Investor, and CPPIB Investor (**Interim Investors Agreement**). Hereinafter, Austin HoldCo Inc., GIC Investor and CPPIB Investor, will be collectively referred to as "**Parties**".
2. The proposed combination relates to the acquisition of 100% equity interest and joint control in Virtusa by Baring Private Equity Asia (**BPEA**) (through Austin HoldCo), GIC Investor and CPPIB Investor (**Proposed Combination**).
3. In terms of Regulation 14 of Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 (**Combination**



**Regulations**), the Commission *vide* its email dated 20.11.2020, sought certain information(s)/ clarification(s), *inter alia*, relating to the activities of the Parties; response to the same was received on 27.11.2020 and 04.12.2020, after seeking extension of time (**Response**). Further, in continuation to the Commission's email dated 20.11.2020 and Response, Acquirer was required to provide certain further clarification(s)/ information(s) in terms of regulation 14 of the Combination Regulations; response to this email was received on 24.12.2020.

4. Austin HoldCo is a Delaware corporation and is ultimately owned and controlled by funds comprising the Baring Private Equity Asia Fund VII, which is a BPEA affiliated fund. It is also mentioned that Austin HoldCo is currently not engaged in any business activity (directly or indirectly) in India.
5. BPEA is an international private equity firm with a focus on private equity investments in Asia. It is primarily engaged in sponsoring buyouts and providing growth capital to companies for expansion or acquisitions with a particular focus on the Asia Pacific region, as well as investing in companies globally that can benefit from further expansion into the Asia Pacific region. It currently has 40 portfolio companies active in Asia. It is submitted in the notice that the portfolio companies of funds affiliated with BPEA are active in various sectors, such as education, business services, industrial manufacturing, healthcare, and logistics. Also, BPEA affiliated funds have current investments in various entities that offer IT services globally, namely, Hexaware Technologies Limited, CitiusTech Healthcare Technology Private Limited, Coforge Limited (formerly known as NIIT Technologies Limited), TELUS International and AGS Health.
6. GIC Investor is wholly-owned by Apstar Investment Pte Ltd (**Apstar**), which in turn is wholly-owned by GIC (Ventures) Private Limited (**GIC Ventures**). GIC Investor does not have any physical presence in India. It is a special purpose vehicle organized as a private limited company in Singapore that is part of a group of investment holding companies managed by GIC Special Investments Private Limited (**GICSI**). GICSI which manages investments in private equity, venture capital and infrastructure, was set up as the private equity and infrastructure investment arm of GIC Private Limited, Singapore (**GIC Private Limited**). It is submitted that both GIC Ventures and GICSI are wholly-owned by the Minister for Finance, a body corporate established under section 2(1) of the Minister for Finance (Incorporation) Act, Chapter 183 of Singapore. Since GIC Ventures is owned



(100%) by the Minister for Finance, it has been considered to be the ultimate parent entity of GIC Investor. For the purpose of identification of overlaps and assessment in the instant case, investment holding companies managed by GICSI will be referred to as “**GIC Group**”.

7. CPPIB Investor is a Canadian Corporation and is a wholly owned subsidiary of Canada Pension Plan Investment Board (**CPPIB**). It is an investment holding company and invests in a diversified portfolio of assets. It only has one Indian subsidiary (which does not hold any investments in India) *i.e.* CPPIB India Advisors Private Limited (**CPPIB India**). CPPIB India is primarily engaged to provide investment advisory services to CPPIB (its ultimate parent entity).
8. Virtusa, is a Delaware, USA corporation and is present in India through various subsidiaries. It is stated to be a worldwide provider of digital business strategy, digital engineering, and IT services and solutions. Through its subsidiaries (*i.e.*, Virtusa Consulting Services Private Limited (**VCS**), Virtusa Systems (India) Pvt Ltd (**VSI**) and TechChefs Software Private Limited (**TechChefs**)) it is engaged in the provision of IT services, including application outsourcing services, business and IT consulting services, technology implementation services, systems integration, digital engineering, cloud solutions, etc., in India.
9. In relation to identification of overlaps and relevant market it is submitted in the notice that Austin HoldCo, GIC Investor and CPPIB investor are newly incorporated entities and do not have any overlap with the products or services of Virtusa, However, BPEA (through its portfolio entities) and Virtusa both operate in the overall market for IT Services (**Broad Relevant Market**) and have overlap in the following narrow segments: (a) ITO services (Managed Services and Cloud Infrastructure); (b) Consulting services; and (c) Implementation services (collectively referred to as the **Narrow Relevant Markets**). Further, it is stated that GIC Group (through their portfolio entities) and CPPIB (through their portfolio entities) also have operations overlapping with Virtusa in the Broad as well as the Narrow Relevant Markets in India.
10. The Commission decided to assess the proposed combination in the segments identified by the Parties. However, exact delineation of the relevant market has been left open as the



material available on record does not suggest that the proposed combination is likely to cause any competition concern in India.

11. Based on the submissions it is noted that the combined market shares of (a) BPEA Portfolio Companies and Target, (b) GIC Group and Target, and (c) CPPIB and Target are insignificant in both Broad as well as Narrow Relevant Markets identified by the Parties. Further, the increment in market shares is also found to be negligible. Additionally, it is noted that such markets comprise of other players like TCS, IBM, Wipro, Deloitte, EY, PWC, McKinsey & Co., KPMG, Accenture, HCL, Hitachi, Tech Mahindra, and Infosys. It is also noted that the existing vertical relationship between the BPEA and Target is insignificant to raise any competition foreclosure concern. In view of above, it appears that the Proposed Combination is not likely to raise any competition concern.
12. 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 factors stated in sub-section (4) of Section 20 of the Act, the Commission is of the opinion that Proposed Combination is not likely to have an appreciable adverse effect on competition in India. Therefore, the Commission approves the Proposed Combination under Section 31(1) of the Act.
13. This order shall stand revoked if, at any time, the information provided by the Acquirers is found to be incorrect.
14. The information provided by the Parties' shall be treated as confidential in terms of and subject to provisions of Section 57 of the Act.
15. The Secretary is directed to communicate to the Parties accordingly.