



COMPETITION COMMISSION OF INDIA

(Combination Registration No.C-2017/04/500)



Fair Competition
For Greater Good

12th May, 2017

Notice under Section 6 (2) of the Competition Act, 2002 given by CSP Alpha Holdings Pte Limited

Coram:

Augustine Peter

Member

U. C. Nahta

Member

G.P. Mittal

Member

Legal Representatives of the parties: Shardul Amarchand Mangaldas

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

1. On 7th April 2017, the Competition Commission of India (“**Commission**”) received a notice given by CSP Alpha Holdings Pte Ltd. (“**Acquirer**”/“**CSP Alpha**”) under sub-section (2) of Section 6 of the Competition Act, 2002 (“**Act**”). The notice has been filed pursuant to a Share Purchase Agreement dated 01.04.2017 entered into and between AGC Holdings Limited (“**Seller**”/“**AGC**”) and CSP Alpha.
2. The proposed combination pertains to an acquisition by CSP Alpha of 100% share capital of ESM Holdings Ltd. (“**ESM Holdings**”), a wholly owned subsidiary of AGC, from AGC (“**Proposed Combination**”). (hereinafter the Acquirer, Seller and ESM Holdings are collectively referred as “**Parties**”).
3. The Proposed Combination has been filed under sub-section 2 of Section 6 read with Section 5(a)(i)(A) of the Act.
4. The Acquirer, a newly incorporated fund in Singapore and a special purpose vehicle managed by Capital Square Partners Pte Ltd. (“**CSP**”), has been created solely for the purpose of the Proposed Combination and is currently not engaged in any business activity. CSP, incorporated in Singapore, is a private equity investment fund which has



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investments across various sectors including telecommunications, media & technology, healthcare, consumer and business services in South East Asia and India.

5. ESM Holdings, incorporated in Mauritius, is an investment holding company and is not engaged in any business activity. Globally, subsidiaries of ESM Holdings are engaged in provision of BPO services. In India, it is present through its subsidiary named Aegis Customer Support Services Private Limited (“**Aegis Customer Support**”) which is not engaged in any business. Prior to the completion of the Proposed Combination, the business of providing BPO services including customer life cycle management, shared services (financial and accounting, spend management, human resources, transaction processing) and technology services (technology infrastructure services, Information Technology (IT) shared services, ERP services, web technologies) (“**Target Business**”) will be transferred from Aegis Limited (“**Aegis**”), a wholly owned subsidiary of AGC to Aegis Customer Support. Post the Proposed Combination, the Acquirer will indirectly hold majority share capital in AGIS Customer Support, which will house the Target Business.
6. The Commission observed that there is no horizontal overlap between the Parties in India since the Target Business relates to the market for IT and IT enabled services, whereas the Acquirer is a special purpose investment vehicle incorporated solely for the purpose of the Proposed Combination and is currently not engaged in any business activity.
7. The Commission noted that CSP has an investment in the form of 69% shareholding in Indecomm Corporation (“**Indecomm**”), which is incorporated in Cayman Islands and is active in the IT and IT enabled services sector in India and abroad. It was observed that the market share of both Target Business and Indecomm is less than 5% in the *IT and IT enabled services market* in India. Further, the ‘*IT and IT enabled services*’ market in India appears to be fragmented and there are significant competitors in this market like TCS, IBM, Wipro etc. The Commission also observed that there is no overlap between the Target Business and Indecomm at narrower level (i.e sub segments of *IT and IT enabled services* in India) as the former is engaged in the provision of BPO and Consulting services while the latter provides Information Technology Outsourcing services.



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8. In view of the fact that the combined market share of Parties is not significant at the broad level of '*IT and IT enabled services*' market and there is no overlap at a narrower level, the exact definition of the relevant market is left open.
9. The Commission noted that the Acquirer and Seller are not engaged in any vertical relationship in India.
10. Considering the facts on record and the details provided in the notice given under sub-section (2) of Section 6 of the Act and on basis of the assessment of the proposed combination, the Commission is of the opinion that the proposed combination is not likely to have appreciable adverse effect on competition in India and therefore, the Commission, hereby, approves the same under sub-section (1) of Section 31 of the Act.
11. This order shall stand revoked if, at any time, the information provided by the parties is found to be incorrect.
12. The information provided by the parties is confidential at this stage in terms of and subject to provisions of Section 57 of the Act.
13. The Secretary is directed to communicate to the parties accordingly.