



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2019/07/674)

22nd August, 2019

Notice under Section 6 (2) of the Competition Act, 2002 filed by Barolo Holdings B.V.

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 24th July, 2019, the Competition Commission of India (**Commission**) received a notice under sub-section (2) of Section 6 of the Competition Act, 2002 (**Act**) filed by Barolo Holdings B. V. (**Barolo/Acquirer**). The notice was given pursuant to the execution of Share Purchase Agreement (**SPA**) dated 11th July, 2019 entered into between General Atlantic Singapore Fund Pte. Limited (**General Atlantic**), Group I Investors¹, CitiusTech Healthcare Technology Private Limited (**Citius/Target**) and Barolo (Hereinafter, Acquirer and Target are collectively referred to as the “**Parties**”).

¹ as described in Schedule I of the SPA.



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 (**Combination Regulations**), vide letter dated 7th August, 2019, certain information and clarification, *inter alia*, regarding business activities was sought from the Acquirer. The response to the same was filed on 9th August, 2019.
3. The proposed combination envisages acquisition of approximately 74.5% of the paid-up share capital of the Target on a fully diluted basis from General Atlantic and the Group I Investors² (**Proposed Combination**).
4. Acquirer is a company incorporated in Netherlands and is indirectly owned and controlled by **Fund VII**³, ultimately part of Baring Private Equity Asia (**Baring**). The Acquirer is currently not engaged in any business activity in India and it does not has any direct physical presence in India. Baring is an international private equity firm with a focus on private equity investments in Asia. Baring and its affiliates advise seven separate private equity funds active in several different markets (**Baring affiliated funds**).
5. Baring is present in India primarily through investments made by its funds in NIIT Technologies Limited [**NIIT**], Hexaware Technologies Limited (**Hexaware**), Xavient Digital (**Xavient**) and AGS Health Private Limited (**AGS Health**). NIIT, an Information Technology (**IT**) service company, is active in India and worldwide. It provides IT Outsourcing (**ITO**), Business Process Outsourcing (**BPO**), Implementation and Consulting services. Hexaware, headquartered in India, also provides ITO, BPO, Implementation and Consulting services. It has been submitted that Xavient and AGS Health have only physical presence in India and neither of these provide any service to customers in India and do not generate any revenue from India.
6. Target, incorporated in India, is engaged in the business of technology services and solutions with a focus on the healthcare sector. Its portfolio of healthcare technology services includes enterprise software development services / testing; software integration; software interoperability; and software business intelligence / analytics. Globally, Citius' activities can be classified into two segments: consulting and implementation. However, it is stated that it

²Jagdish Moorjani, Rizwan Koita and others.

³Fund VII is comprised of 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



does not provide consulting services to customers based in India and is only active in the market for providing implementation services. Citius also operates a platform to allow scale up of healthcare technology professionals, globally, called CitiusTech.

7. As per the Notice, the Acquirer is not engaged in the provision or supply of any products or services in India. However, Baring affiliated funds' entities such as NIIT and Hexaware, are present in the provision of "IT and ITES" services in India. Broadly, both Acquirer and Target are present in the market for "IT and ITES". Within the IT and ITES, it has been stated businesses of the Parties exhibit overlap in provision of IT implementation services in India. It has also been submitted that Citius and Baring (through Hexaware) exhibit overlap in IT and ITES services to healthcare segment at a broader level and IT implementation services to healthcare segment at a narrower level.

8. 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.

9. As per the submission of the Parties, the combined market share for these entities in the broad as well as narrower sub-segments was between [0-5%] and there are other large players operating in these markets such as TCS, Wipro, IBM, Deloitte, EY, Dell, Accenture etc.

10. It has been submitted that neither (a) Acquirer and Target, nor (b) Baring affiliated funds' entities and Target, are engaged in any activity in relation to the production, supply, distribution, storage, sale and service or trade in products or provision of services which are at different stages or levels of the production chain.

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 and therefore, the Commission, hereby, approves the same 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 shall be treated as confidential in terms of and subject to the provisions of Section 57 of the Act.
14. The Secretary is directed to communicate to the Acquirer accordingly.