



**COMPETITION COMMISSION OF INDIA  
(Combination Registration No. C-2021/09/870)**

**18<sup>th</sup> October 2021**

**Notice under Section 6(2) of the Competition Act, 2002 Given by Betaine 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 06<sup>th</sup> September 2021, the Competition Commission of India (**Commission**) received a notice (**Notice**) under Section 6(2) of the Competition Act, 2002 (**Act**), given by Betaine B.V. (**Betaine/Acquirer**). The Notice was given pursuant to execution of the Master Framework Agreement (**MFA**), *inter alia*, between Betaine and Hinduja Global Solutions Limited (**HGS/ Seller**), and India Business Transfer Agreement (**India-BTA**) between HGS and Betaine on 09<sup>th</sup> August 2021.
2. The Commission, *vide* its letter dated 21<sup>st</sup> September 2021 issued under Regulation 14(3) of the Competition Commission of India (Procedure in regard to transaction of business relating to combinations) Regulations, 2011, required the notifying party to remove defects in the Notice and furnish certain information relevant for the purpose of assessment of the Proposed Combination. The notifying party submitted the response *vide* its submission dated 28<sup>th</sup> September 2021.
3. The proposed combination envisages the acquisition of 100% interest in the worldwide healthcare business process outsourcing (**BPO**) services of HGS along with certain assets, contracts and employees (**Target Business**). HGS will continue to retain part of the business which does not relate to BPO healthcare services.



4. Betaine, incorporated in the Netherlands, is an entity ultimately owned and controlled by the Baring Asia Private Equity Fund VIII (**BPEA Fund VIII**), a fund affiliated with Baring Private Equity Asia Pte. Ltd. (**BPEA**). BPEA is an international private equity firm with a focus on private equity investments in Asia. The BPEA Group and its Affiliates (**BPEA affiliated funds**) advise various private equity funds active in several markets. The BPEA affiliated funds currently, *inter alia*, hold investments in various entities that are engaged in the provision of Information Technology (**IT**) and IT-enabled services (**ITeS**) in India, including the provision of BPO services.
5. The Target Business comprises the BPO services offered by HGS and caters primarily to customers within the healthcare segment. The Target Business is engaged in providing, *inter alia*, healthcare member lifecycle management services, healthcare provider lifecycle management services, healthcare claims benefits management services, healthcare medical cost management services and healthcare revenue cycle management services.
6. It has been submitted by the notifying party that the Target Business does not offer any services in India, and currently, all customers of the Target Business are overseas group companies of HGS. Given that the Target Business is not active in India, the question of it offering any services that are substitutable with those of the Acquirer or the portfolio entities of the BPEA Group does not arise. As such, there is only a notional overlap between the activities of the Target Business in India and the activities of the portfolio entities of the BPEA Group, as the Target Business offers BPO services within the healthcare segment to group companies of HGS located overseas.
7. In this regard, it is observed that the competition for supply of BPO/KPO services may take place at the location where the human resources are located and activities are actually performed. Entities operating in India but supplying solely or largely to customers located outside India (**Exporting Entities**) may exert competition constraints on the supplier that focuses largely or solely on the domestic market. The presence of the Exporting Entities



in India may make India a contestable market. Therefore, the Targets supplying services only to entities located outside India may not always be a sufficient reason to ignore overseas supplies of Target Business for the purpose of overlapping mapping.

8. Regarding relevant market, the notifying party has alluded to the BPO services as relevant product. It has submitted that further segmentation of BPO services on the basis of sector being served is not warranted. In this regard, one may argue that the activities undertaken within the healthcare BPO segment are specialised services such as medical coding and billing, claims processing and data processing services. These services require expertise and domain knowledge related to the healthcare industry in as much as that they may be categorised as part of niche areas *i.e.*, Knowledge Process Outsourcing (**KPO**). This is also reflected through the human resources involved and input costs incurred to deliver such services. Thus, these services are different from the services of other BPOs. Therefore, the Healthcare BPO Services activity, a sub-segment of KPO services, may deserve separate assessment. However, the Commission decided to leave the precise delineation of the relevant market open as it was observed that the Proposed Combination is not likely to cause an appreciable adverse effect on competition in any of the plausible relevant markets.
9. From the notice bearing Combination Registration No. C-2021/09/871 filed under Section 6(2) of the Act, it is observed that Starnmeer BV, an entity owned and controlled by the funds comprising BPEA Fund VII, a fund affiliated with BPEA, is proposing to acquire the entire issued share capital of Global Content Alpha Partners Holdco Pte. Ltd. (**GCAPH**) (**Acquisition of GCAPH**). GCAPH is engaged in the provision of services within the IT and ITeS sector (more specifically, BPO services). In this regard, the Commission observed that competition assessment of a combination is *ex-ante* forward-looking exercise. Thus, if parties to a proposed combination envisage another merger and acquisition<sup>1</sup>, whether or not inter-connected to the proposed combination, which is likely to change market position of the parties going forward, it is imperative that competition assessment covers the impact of that merger and acquisition. Therefore, the Proposed

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<sup>1</sup> Unless it is too speculative



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Combination deserves competition assessment considering the Acquisition of GCAPH.

10. The combined market shares [0 – 5%] of the Target Business and the BPEA Group and incremental market share for segment/sub-segments, viz. provision of IT and ITeS services; provision of BPO services; and provision of BPO services in the healthcare segment is not significant to raise any competition concern in India.
11. Considering the facts on record, including details provided in the Notice given under Section 6(2) of the Act and assessment of the Proposed Combination based on the factors stated in Section 20(4) 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 in any of the relevant market(s), and therefore, the Commission hereby approves the same under Section 31(1) of the Act.
12. This order may be 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 the provisions of Section 57 of the Act.
14. The Secretary is directed to communicate to the Acquirer accordingly.