

SUMMARY OF COMBINATION

[REGULATION 13 (1B) OF THE COMBINATION REGULATIONS]

A. Name of the parties to the Combination

The names of the parties to the combination are set out below:

- Hitachi Payment Services Private Limited (the “**Acquirer**”); and
- SBI Payment Services Private Limited (the “**Target**”).

B. Type of Combination

Pursuant to a Joint Venture Agreement dated 27 October 2018 executed between the Acquirer, State Bank of India (“**SBI**”), and the Target (the “**JV Agreement**”), it is proposed that HPY will be issued equity shares of SBIPSPL, constituting 26% of the issued equity share capital of SBI Payment Services Private Limited (the “**Proposed Transaction**”). Following completion of the Proposed Transaction, SBI will hold the remaining 74% of the shares of the Target. Accordingly, The Proposed Transaction falls within the definition of a “combination” pursuant to Section 5(a) of the Competition Act, 2002.

C. Area of activity of the parties to the Combination

The Acquirer (a wholly owned indirect subsidiary of Hitachi Ltd.) is engaged in the supply of technology-based payment solutions to financial institutions, merchant / e-commerce aggregators, as well as FinTech companies. This includes provision of transaction processing services for traditional PoS, Mobile PoS to banks and merchant aggregators, as well as provision of e-commerce processing services (by way of payment gateways) to merchant aggregators, together with certain ancillary services such as hardware maintenance and merchant support services.

The Target is a wholly owned subsidiary of the SBI. The Target is engaged in the merchant acquiring business, involves enabling merchants to accept payment through electronic modes at merchant outlets by deploying payment acceptance devices (including PoS terminals (for card payments), Bharat QR (for QR code based payments), mobile application based payments (i.e., UPI peer-to-merchant payments by downloading the relevant app), Electronic Toll Collection (ETC) and various Value Added Services (VAS) (for example, DCC (Dynamic Currency Conversion), EMI and 'cash at PoS')).

D. Relevant market to which the Combination relates

The Proposed Transaction is not likely to create any appreciable adverse effect on competition in India. Accordingly (in line with the Hon'ble Commission's decisional practice), there should be no need to conclusively define the relevant market in this case. However, in order to assist the Hon'ble Commission in their assessment of the Proposed Transaction, the Parties have identified the following relevant markets:

- a) Market for merchant acquisition in India; and
- b) Market for provision of payment processing and other outsourced services to banks and financial institutions in India.