Notice u/s 6(2) of the Competition Act, 2002 given by Hinduja Global Solutions Limited

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

1. On 10th July 2015, the Commission received a notice given by Hinduja Global Solutions Limited (“Acquirer”) under sub-section (2) of Section 6 of the Competition Act, 2002 (“Act”).

2. The notice was given in respect of a proposed combination between the Acquirer and MSource (India) Private Limited (“Seller 1”) and Mphasis Limited (“Seller 2”), as a result of which the Acquirer will acquire both the Sellers’ domestic business process management or outsourcing (“BPM/BPO”) business which consists of (i) certain customer contracts (in the telecom and banking, financial & insurance sector); and (ii) related software(s), assets and fixtures (including immoveable lease premises located in various states (the “Proposed Combination”). Seller 1 and Seller 2 are hereinafter collectively referred to as “Sellers”. The Acquirer and the Sellers are hereinafter collectively referred to as “Parties”.

3. The Acquirer is a public limited company and is listed on NSE Limited and BSE Limited. It provides a range of BPM/BPO services which cover, inter alia, marketing and digital enablement services and consumer interaction services.

4. Seller 1 is a private limited company registered under the Companies Act, 1956. Seller 1 is a BPM/BPO solutions provider offering, inter alia, BPM/BPO through a combination of industry know how, domain and process expertise in various industries, such as, banking and capital market, insurance, information technology, communication and entertainment and also certain other emerging industries.

5. Seller 2, the parent company of Seller 1, is public limited company and is listed on NSE Limited and BSE Limited. It is an information technology solutions provider, offering applications, BPM/BPO and infrastructure services, globally.

6. It is observed that the Parties provide similar services in the BPM/BPO segment across different industries in India. Thus, the relevant product market in the present case is the market for provision of BPM/BPO services to customers in India. Further, the BPM/BPO industry is spread across various states in India catering to various customers and the conditions for BPM/BPO services would be homogenous across India. Accordingly, the relevant geographic market should be the whole of India.

7. It is noted that post combination, the market share of the Acquirer will not be significant. Further, the presence of large number of players in the domestic BPM/BPO sector,
including presence of strong competitors, such as, Concentrix, Aegis Limited, Firstsource Solutions Limited, etc. would act as a competitive constraint on the Acquirer.

8. Considering the facts on record and the 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 the proposed combination is not likely to have an 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.

9. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.

10. The Secretary is directed to communicate to the Acquirer accordingly.