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## COMPETITION COMMISSION OF INDIA

(Combination Registration No. C-2015/01/237)

10.02.2015

Notice u/s 6 (2) of the Competition Act, 2002 given by:

- **Everstone Capital Partners II LLC**

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

1. On 2<sup>nd</sup> January 2015, the Competition Commission of India (hereinafter referred to as the “**Commission**”) received a notice under sub-section (2) of Section 6 of the Competition Act, 2002 (“**Act**”) filed by Everstone Capital Partners II LLC (“**Everstone**” or “**Acquirer**”). The said notice was given to the Commission pursuant to execution of the Share and Assets Sale and Purchase Agreement between the Acquirer and Aon Corporation (“**Aon**”) dated 4<sup>th</sup> December 2014 (“**SAPA**”) (hereinafter Everstone and Aon are collectively referred to as the “**Parties**”).
2. The proposed combination which is a global transaction, involves acquisition of Asia-Pacific based payroll business of Aon carried on through its indirect subsidiaries in India, China, Philippines and Singapore, by the Acquirer in accordance with the SAPA. In India, the proposed combination involves acquisition of the payroll business of Aon Services India Private Limited (“**Aon India**”), an indirect subsidiary of Aon, as a going concern, by the Acquirer, through Payfront Technologies India Private Limited, a newly incorporated indirect subsidiary of the Acquirer.
3. In terms of Regulation 14 of the Competition Commission of India (Procedure in regard to transaction of business relating to combinations) Regulations, 2011 (“**Combination Regulations**”), vide letter dated 16<sup>th</sup> January 2015, the Acquirer was required to remove defects and provide certain information/document(s). The Acquirer filed its response on 30<sup>th</sup> January 2015 after seeking an extension in this regard.



## COMPETITION COMMISSION OF INDIA



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4. Everstone, a limited liability company incorporated under the laws of Mauritius is an independent part of the Everstone Group, a global private equity group. As stated in the notice, Everstone is a private equity investment company, which is professionally managed by Everstone Capital Management (“**ECM**”). It does not directly undertake any business activities except through investment in companies. ECM, a limited liability company, incorporated in Mauritius, is an independent investment manager which manages the investments made by the Acquirer.
5. Aon, a company incorporated under the laws of the state of Delaware, USA is a wholly owned subsidiary of Aon plc. Aon plc, the parent company of the Aon Group of companies is incorporated under the laws of the United Kingdom and is listed on the New York Stock Exchange. Aon is a leading global provider of risk management services, insurance and reinsurance brokerage, and human resources solutions and outsourcing services.
6. As stated above, the proposed combination relates to the payroll business that entails the transfer of operational responsibility for payroll services from the client to an independent third party service provider such as Aon India and includes the transfer of payroll administration, data validation, payroll processing, tax filing and reporting and payroll data entry.
7. As already stated above, it is noted that the Acquirer is an investment company and does not directly undertake any business activities. In this regard, it is also noted that one of the portfolio companies of the Acquirer, namely Aparajitha Corporate Services Limited (“**Aparajitha**”) undertakes payroll services business in India. However, on the basis of the nature of services provided by Aparajitha and the scale of operations of Aparajitha, the Commission observed that the horizontal overlap arising in this regard is insignificant and is not likely to raise any competition concern.
8. Further, as regards vertical relationship, the Parties have agreed to certain referral and sub-contracting arrangements in the SAPA. However, the Commission noted that the same are not likely to raise any competition concern.



## COMPETITION COMMISSION OF INDIA



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9. Considering the facts on record and the details provided in the notice given under sub-section (2) of Section 6 of the Act and the assessment of the combination after considering the relevant factors mentioned 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 appreciable adverse effect on competition in India and therefore, the Commission hereby approves the proposed combination under sub-section (1) of Section 31 of the Act.
10. This approval is without prejudice to any other legal/statutory obligations as applicable.
11. This order shall stand revoked if, at any time, the information provided by the parties is found to be incorrect.
12. The Secretary is directed to communicate to the Acquirer accordingly.