



19.06.2015

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

- **Capgemini S.A.**

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

1. On 18.05.2015, the Competition Commission of India ("**Commission**") received a notice under sub-section (2) of Section 6 of the Act given by Capgemini S.A. ("**Capgemini**"/"**Acquirer**"), pursuant to an Agreement and Plan of Merger ("**Agreement**"), entered into between Capgemini S.A., Capgemini North America Inc., Merger Sub Inc. ("**Merger Sub**") and iGate Corporation ("**iGate**"/"**Target**") on 25<sup>th</sup> April 2015.
2. The Proposed combination relates to the acquisition of iGate by Capgemini as a result of which iGate would become a wholly owned subsidiary of Capgemini through the merger of a newly formed special purpose vehicle (i.e. Merger Sub) and iGate.
3. In terms of Regulation 14 of Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 ("**Combination Regulations**"), *vide* letter dated 29.05.2015, the Acquirer was required to remove certain defects and provide information/document(s) by 02.06.2015. The Acquirer filed its response on due date.
4. In terms of Regulation 16 of the Combination Regulations, the Acquirer, *vide* its letter dated 16<sup>th</sup> June 2015 also intimated the Commission about certain changes in the information provided in the notice filed on 18th May, 2015. The Commission assessed the significance of the change in information and took it on record.
5. Capgemini is a listed company headquartered in Paris, France. It is the ultimate parent entity of all Capgemini entities (Capgemini Group). The Capgemini Group provides consulting, technology and outsourcing services worldwide, including customer services support for the development of software, IT and the administration of systems and networks. The Capgemini group focuses on providing services like consulting, systems integration, local professional services and outsourcing. In India, Capgemini provides IT and IT related services through its two subsidiaries, namely, Capgemini Business Services (India) Pvt. Ltd. and Capgemini India Pvt. Ltd. (which also has a



**COMPETITION COMMISSION OF INDIA**

(Combination Registration No. C-2015/05/274)



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wholly owned subsidiary called Pune Software Park Pvt. Ltd. (India) providing the same services).

6. iGate is a company headquartered in New Jersey, USA. It provides IT and IT-enabled services like application development and maintenance, business intelligence and analytics, cloud services, digital and engineering design services, enterprise application solutions, infrastructure management services, product and engineering solutions and business process outsourcing. In India, iGate provides the above-mentioned services through its three subsidiaries, namely, iGate Global Solutions Ltd., iGate Infrastructure Management Services Ltd. and iGate Information Services Pvt. Ltd.
7. The competitive effects of a combination are analysed by delineating the relevant market in terms of relevant product market and relevant geographic market. The markets are defined in a manner that would include the relevant constraints on the behaviour of firms. The relevant product market for the proposed combination is identified as “IT and IT enabled services.” The relevant geographic market is identified as entire India as there are no regulatory or other barriers in the country in the market of IT and IT enabled services.
8. As regards the proposed combination, it is observed that within the overall market for IT and IT enabled services, there are overlaps between Capgemini and iGate in the segments of consulting, implementation services, business process outsourcing and IT outsourcing in India. However, it is also observed that the overall IT services industry is fragmented and characterized by the presence of large players. This is evident from the fact that even the largest player in the market of IT and IT enabled services in India, had an estimated market share of around 10-13 percent for the year 2014. Further, the combined market share of Capgemini and iGate in the relevant market in India is negligible. Even within the narrower scope of each overlapping segment as identified above, the combined market share of Capgemini and iGate is insignificant, is below 3% in each segment in India.
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 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



**COMPETITION COMMISSION OF INDIA**

(Combination Registration No. C-2015/05/274)



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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.

10. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.
11. The Secretary is directed to communicate to the Parties accordingly.