

COMPETITION COMMISSION OF INDIA

19th February, 2013

Combination Registration No.: C-2013/01/108

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

1. On 29th January, 2013, 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 (hereinafter referred to as the “**Act**”) of a proposed combination, given by Exide Industries Limited (hereinafter referred to as “**Exide**” or the “**Acquirer**”).
2. Exide is a listed, public limited company, incorporated under the provisions of the erstwhile Indian Companies Act, 1913. It has been stated in the notice that the principle activity of Exide is to manufacture and sell a range of batteries, which are supplied to various sectors of the economy. Exide also holds 50 per cent equity share capital of ING Vysya Life Insurance Company Limited (hereinafter referred to as “**ING Life**”).
3. ING Life is a public limited company incorporated under the provisions of Companies Act, 1956. As an insurance company, ING Life is registered under the provisions of the Insurance Regulatory and Development Authority (Registration of Insurance Companies) Regulations, 2000 read with the Insurance Act, 1938. ING Life is a joint venture between Exide and ING Insurance International B.V., Netherlands (hereinafter referred to as “**ING International**”). Exide and ING International hold 50 per cent and 26 per cent equity share capital respectively of ING Life and the remaining 24 per cent equity share capital is held by certain enterprises referred to as the “**Indian Shareholders**” in the notice. ING Life is engaged in providing life insurance services in India. The product portfolio of ING Life comprises of term insurance, traditional endowment, unit-linked, pension, children and retirement plans, etc.
4. The proposed combination relates to the acquisition of the remaining 50 per cent equity share capital of ING Life by Exide from the existing shareholders of ING Life i.e. ING International and the Indian Shareholders. Post combination, the entire equity shareholding of ING Life will be held by Exide.
5. The proposed combination falls under Section 5 (a) of the Act.

6. As per the details provided in the notice, Exide and ING Life have initialled three separate Share Sale and Purchase Agreements with the existing shareholders of ING Life i.e. ING International and the Indian Shareholders (hereinafter referred to as the “**SSPAs**”). As per the terms of these SSPAs, as already stated, Exide will acquire the remaining 50 per cent equity share capital of ING Life from the other existing shareholders. Further, as stated in the notice, pursuant to these SSPAs, ING Life has filed an application with the Insurance Regulatory and Development Authority (IRDA) on 24th January, 2013 in relation to the proposed combination. Accordingly, in terms of the second proviso to sub-regulation (8) of Regulation 5 of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 (hereinafter referred to as the “**Combination Regulations**”), the date of such communication by ING Life on 24th January, 2013 to IRDA, being a statutory authority, shall be deemed to be the date of execution of the initialled SSPAs, for the purpose of sub-section (2) of Section 6 of the Act. It has been further stated in the notice the closing of these SSPAs is cross-conditional and therefore, in terms of sub-regulation (4) of Regulation 9 of the Combination Regulations, these SSPAs are inter-connected and inter-dependent for the purpose of achieving the ultimate intended effect of the proposed combination.
7. As stated in the notice, ING International is a 100 per cent step down subsidiary of ING Groep N.V., the holding company of ING Group, which is present in three businesses of banking, insurance and asset management in India through ING Vysya Bank Limited, ING Life and ING Investment Management (I) Private Limited respectively.
8. The proposed combination relates to the life insurance business in India. It is observed that, apart from their interest in ING Life, Exide and ING International are neither engaged in the life insurance business in India nor have any direct or indirect control over any other enterprise engaged in the life insurance business in India. The acquisition of sole control over ING Life by Exide, therefore, is not likely to result in any competition concern in India. It is also noted that there are 24 insurance companies registered with the IRDA which are engaged in the life insurance business in India. The market share of ING Life in the life insurance sector in India is also insignificantly small so as to raise any competition concern. In view of the foregoing, the proposed combination resulting in acquisition of sole control of ING Life by Exide is not likely to result in adverse effect on competition in India.

9. Considering the facts on record and the details provided in the notice, 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 proposed combination under sub-section (1) of Section 31 of the Act.
10. This approval is without prejudice to any other legal/statutory obligation as applicable.
11. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.
12. The Secretary is directed to communicate to the Acquirer accordingly.