



**COMPETITION COMMISSION OF INDIA**  
(Combination Registration No. C-2015/12/358)

**3<sup>rd</sup> February 2016**

**Notice under Section 6 (2) of the Competition Act, 2002 given by Nippon Life Insurance Company**

**CORAM:**

Devender Kumar Sikri  
Chairperson

S.L. Bunker  
Member

Augustine Peter  
Member

U.C. Nahta  
Member

M.S. Sahoo  
Member

G.P. Mittal  
Member

**Legal Representative:** M/s Khaitan & Co.

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

1. On 22<sup>nd</sup> December 2015, the Competition Commission of India (“**Commission**”) received a notice filed by Nippon Life Insurance Company (“**Nippon Life**”/ “**Acquirer**”) under Section 6 (2) of the Competition Act, 2002 (“**Act**”). The notice was filed pursuant to a Shareholders’ Agreement (“**SHA**”) dated 24<sup>th</sup> November 2015 executed between Reliance Capital Limited (“**RCL**”), Viscount Management Services Limited (“**Viscount**”), Reliance Life Insurance Company Limited (“**RLIC**”/ “**Target**”) and Nippon Life.



2. The proposed combination relates to the acquisition of 23% of the equity share capital of RLIC from RCL and Viscount by Nippon Life. Post the proposed combination, Nippon Life will increase its shareholding in RLIC from 26% to 49%.
3. As stated in the notice, Nippon Life is a mutual company incorporated under the laws of Japan and is regulated by the Financial Services Agency of Japan. It is primarily engaged in the business of life insurance, and business ancillary thereto, mainly in Japan, North America, Europe and Asia. It has been stated in the notice that apart from its shareholding in Reliance Capital Asset Management Limited (“RCAML”) and RLIC, Nippon Life does not have any control or substantial interest in any other enterprise in India.
4. RLIC is a public limited company incorporated under the Companies Act, 1956. RLIC is licensed by the Insurance Regulatory and Development Authority of India (“IRDA”) for carrying out life insurance and annuity business.
5. RCL is registered as a Non-Banking Financial Company with the Reserve Bank of India and is engaged in asset financing, lending and investment activities. It has been stated in the notice that RCL, through its investments, has interest in asset management, mutual funds, life and general insurance, commercial and home finance, stock broking, wealth management services, distribution of financial products, asset reconstruction, proprietary investments and other activities in financial services. Viscount, a company incorporated under the Companies Act, 1956, is wholly owned by enterprises belonging to the Reliance Anil Dhirubhai Ambani group.
6. It is noted that the Acquirer already holds 26% shareholding in the Target; therefore, as per decisional practice of the Commission, it has joint control over the Target. It is also noted that the Shareholders’ Agreement dated 14<sup>th</sup> March 2011 between RCL, Viscount Management Services (Alpha) Limited, Viscount, RLIC and Nippon Life provides that affirmative vote of the Acquirer would be required for, *inter alia*, commencement of any new lines of business by the company or any material change in the scope and nature of business of the company or expansion into a new geographical region outside India. It is submitted by the Acquirer that since the rights enjoyed, at present, by the Acquirer in the Target shall remain unchanged post combination, the increase in the shareholding of the Acquirer in the Target, post combination, will not result in any change in control of the Target.
7. In view of the foregoing, it is noted that since there is no change in control of Target on account of acquisition of additional shares by the Acquirer, the proposed



combination is not likely to alter the competitive landscape in the insurance sector in India.

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.