



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2019/02/643)

22nd March, 2019

Notice under Section 6 (2) of the Competition Act, 2002 given by (i) WestBridge AIF 1; (ii) Rakesh Jhunjunwala; (iii) MIO Star; (iv) MIO IV Star; (v) Madison India Opportunities Trust Fund; (vi) University of Notre Dame DU LAC; (vii) Massachusetts Institute of Technology; (viii) GP Emerging Strategies LP; and (ix) Snowdrop Capital Pte Limited

CORAM:

Mr. Ashok Kumar Gupta
Chairperson

Mr. U. C. Nahta
Member

Ms. Sangeeta Verma
Member

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

1. On 7th February, 2019, the Competition Commission of India (**Commission**) received a Notice under sub-section (2) of Section 6 of the Competition Act, 2002 (**Act**), given by (i) WestBridge AIF 1 (**WestBridge**); (ii) Rakesh Jhunjunwala (**RJ**); (iii) MIO Star (**Madison 1**); (iv) MIO IV Star (**Madison 2**); (v) Madison India Opportunities Trust Fund (**Madison 3**); (vi) University of Notre Dame DU LAC (**UNDDL**); (vii) Massachusetts Institute of Technology (**MIT**); (viii) GP Emerging Strategies LP (**GP**); and (ix) Snowdrop Capital Pte Limited (**Snowdrop**). [Hereinafter collectively referred to as '**Acquirers**']



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2. The Proposed Combination relates to the Acquirers purchasing 90.57% of the paid up equity share capital of the Star Health and Allied Insurance Company Limited (**Star Health/Target**). For the purpose of such acquisition from the existing shareholders of the Target, the Acquirers have entered into various share purchase agreements on 1st February, 2019.
3. In terms of Regulation 14 of the Competition Commission of India (Procedure in regard to the Transaction of Business relating to Combinations) Regulations, 2011 (**Combination Regulations**), *vide* letter dated 13th February, 2019, certain information and clarifications, *inter alia*, about the timelines, interim funding were sought from the Acquirer. The response to this was filed by the Acquirer on 18th February, 2019 and 25th February, 2019.
4. Star Health is licensed as a general insurer by the Insurance Regulatory and Development Authority of India (**IRDAI**) to carry on the business of general insurance. It is currently engaged in the business of health insurance and offers personal accident insurance, medicaid and overseas travel insurance. It sells policies through licensed intermediaries such as corporate agents, brokers and insurance agents. Star Health does not have any operation, turnover or asset outside India.
5. WestBridge is acting through its Investment Manager *viz.* Mountain Managers Private Limited and represented by its trustee *viz.* Milestone Trusteeship Services Private Limited. It is a contributory trust registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 as a Category II Alternative Investment Fund (AIF). WestBridge, as an AIF, has activities centered around making investments in companies and businesses across multiple sectors.



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6. Rakesh Jhunjhunwala is a financial investor in India. He is co-investing with his wife Mrs. Rekha Jhunjhunwala and with certain other affiliates who would be acquiring less than 1% of the equity capital of the Target collectively.
7. Madison 1, Madison 2 and Madison 3 belong to the Madison India Group. Madison 1 and Madison 2 are investment holding companies set up for making investments in Star Health. The voting rights and control of Madison 1 and Madison 2 are stated to be with its investment manager Madison India Capital Management LLC. Madison 3 is incorporated under the provisions of the Indian Trusts Act, 1882 and is registered as a Category II AIF under the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012.
8. UNDDL was incorporated in 1844 for the purposes of advancement of the liberal arts and science and awarding degrees of higher education in the United States. As part of its world-wide investments, UNDDL has invested in collective investment schemes managed by independent professional third-party fund managers. UNDDL does not belong to any particular group.
9. MIT was incorporated in 1861 for the purposes of advancement of the arts and science and awarding degrees of education in the United States. MIT does not belong to any particular group, and as such, does not have any parent/ holding entity. However, MIT owns more than 50% of the corpus of ABG Capital and Massachusetts Institute of Technology 3, and therefore, MIT is clubbed with, and considered as part of the same 'group'. As part of its world-wide investments, MIT has invested in collective investment schemes managed by independent professional third-party fund managers and MIT is a passive investor with no investment discretion or control in these investment funds.
10. GP is a limited partnership set up in 2014 in Delaware, USA. GP does not belong to any particular group. As part of its world-wide investments, GP has



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invested in collective investments schemes managed by independent professional third-party fund managers. However, it does not undertake any activities in India.

11. Snowdrop, incorporated in Singapore, belongs to the Sequoia group. It is an investment holding company and currently holds 43.71% (approx.) shareholding of Star Health Investments Private Limited India (**HoldCo**), which in turn holds 37.52% of the Target.
12. It has been stated in the notice that the Acquirers do not have any direct or indirect shareholding and/or control over another enterprise engaged in: (a) production, distribution or trading of similar / identical / substitutable products or provisions of similar / identical / substitutable services; and / or (b) any activity relating to the production, supply, distribution, storage, sale and service or trade in products or provision of services which is at different stages or levels of the production chain, in which Star Health is involved.
13. It is observed that the WestBridge Group, RJ, MIT, UNDDL and GP have certain investments that are relatable to the business of the Target. However, the investee entities are either not horizontally or vertically placed to Star Health or the investment is negligible/ insignificant to the extent that the same does not give any ability to influence the business. Thus, the Proposed Combination is not likely to raise any competition concerns.
14. Considering the facts on record, 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 the 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 any 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.



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15. This order shall stand revoked if, at any time, the information provided by the Acquirers is found to be incorrect.
16. The information provided by the Acquirers is confidential at this stage in terms of and subject to provisions of Section 57 of the Act.
17. The Secretary is directed to communicate to the Acquirers accordingly.