



COMPETITION COMMISSION OF INDIA

(Combination Registration No. C-2017/06/515)

15th June, 2017

Notice under Section 6 (2) of the Competition Act, 2002 given by Red Bloom Investments Limited.

CORAM:

Mr.Devender Kumar Sikri
Chairperson

Mr. S.L.Bunker
Member

Mr. Sudhir Mital
Member

Mr. Augustine Peter
Member

Mr. U.C. Nahta
Member

Mr. G.P. Mittal
Member

Legal Representative: Cyril Amarchand Mangaldas

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

1. On 7th June, 2017, the Competition Commission of India (hereinafter referred to as the “**Commission**”) received a notice given by Red Bloom Investment Limited (“**Red Bloom**”) regarding acquisition of 9% stake by Red Bloom in ICICI Lombard General Insurance Company (“**ICICI Lombard**”) from FAL Corporation (“**FAL**”). (Hereinafter, **Red Bloom** and **ICICI Lombard** are collectively referred to as “**Parties**”). The notice was filed in pursuance of Share Purchase Agreement and Letter Agreement, each executed on 27th May, 2017.



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2. Apart from acquiring the stake, Red Bloom shall also acquire affirmative rights and the right to nominate one non-executive director on the Board of Directors of ICICI Lombard. The proposed combination has been filed under sub-section (2) of Section 6 read with sub-section (a) of Section 5 of the Competition Act, 2002. (“Act”).
3. Red Bloom, an investment holding company incorporated in Mauritius, is *inter-alia*, engaged in the business of holding long term investments. Its shareholders are private equity funds managed by Warburg Pincus LLC (“WP”). Currently, Red Bloom does not have any investments in India.
4. ICICI Lombard, a public company incorporated in India is a joint venture between ICICI Bank Limited and FFHL. It is licensed by Insurance Regulatory and Development Authority of India and is *inter-alia*, engaged in the business of general insurance and related products such as motor insurance, health insurance, home insurance.
5. It is stated in the notice that there is no horizontal overlap between the Parties. Further, none of the other portfolio companies of WP are engaged in the general insurance business in India.
6. It is observed that one of the portfolio companies of WP is registered as corporate agent for distributing insurance products; however, currently it does not act as an agent for ICICI Lombard. The potential vertical relationship, if any, would not raise any competition concern due to large number of entities providing similar services.
7. 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 factors stated in sub-section (4) of Section 20 of the Act, the Commission is of the opinion that 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.
8. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.



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9. The information provided by the Acquirer shall be treated as confidential in terms of and subject to provisions of Section 57 of the Act.
10. The Secretary is directed to communicate to the Acquirer accordingly.