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Fair Competition
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COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2018/11/618)

19th December, 2018

Notice under Section 6(2) of the Competition Act, 2002 given by Ageas Insurance International N.V.

CORAM:

Mr. Ashok Kumar Gupta
Chairperson

Mr. Augustine Peter
Member

Mr. U. C. Nahta
Member

Legal Representatives of the Acquirer: Mr. Samir R. Gandhi and Mr. Rahul Rai, AZB & Partners

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

1. On 29.11.2018, the Competition Commission of India (**Commission**) received a notice under Section 6(2) of the Competition Act, 2002 (**Act**) given by Ageas Insurance International N.V. (**Ageas / Acquirer**).
2. The notice has been filed pursuant to the execution of: (i) Share Purchase Agreement (**SPA**) entered into between the Acquirer, Royal Sundaram General Insurance Company Limited (**RSGI / Target**) and Sundaram Finance Limited (**SFL**) & other selling shareholders of RSGI, on 14.11.2018; and (ii) Shareholders' Agreement (**SHA**) entered into between the Acquirer, Target and SFL & other shareholders of RSGI, on 14.11.2018.



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3. The Proposed Combination envisages acquisition of 40% of the equity share capital of RSGI by Ageas. The acquisition would be by way of share purchase from some of the current shareholders of RSGI. (Hereinafter, Ageas and RSGI are collectively referred to as **Parties**).
4. Ageas, incorporated in the Netherlands, is a subsidiary of ageas SA/NV. Ageas is an international insurance solution provider to retail and business customers. *ageas SA/NV* is the ultimate parent company of all Ageas group companies. In India, Ageas's business presence is confined to its investment in IDBI Federal Life Insurance Company Limited (**IFLI**), which is a joint venture between IDBI Bank Limited, the Federal Bank Limited and Ageas. IFLI provides life insurance services in India. It has been stated in the Notice that Ageas does not have any direct or indirect shareholding in any company that provides general insurance services in India. Apart from its shareholding in IFLI, Ageas does not have any special shareholders' rights or Board seat in any company that provides insurance services in India.
5. RSGI is a subsidiary of SFL, which is the ultimate holding company of the Sundaram Finance group of companies. RSGI is a general (non-life) insurance company, providing solutions to individuals and businesses. It offers motor, health, personal accident, home and travel insurance to individuals and also offers insurance products in fire, marine, engineering, liability, motor and business interruption risks to commercial customers. RSGI holds insignificant minority shareholding [less than 1 %] in some of listed life insurance and general insurance companies. As stated, by the Acquirer, RSGI does not control these entities.
6. The proposed combination relates to insurance sector in India. The insurance sector in India can be broadly divided into life insurance, general insurance and reinsurance business. General Insurance service business may be further segmented based on subject matter of risk coverage like motor insurance, health insurance, home insurance, personal accident insurance, business insurance etc. However, same is not elaborated further given that the Target is a general (non-life) insurance company; whereas, the Acquirer's presence in insurance sector in India, through IFLI, is in life insurance services. Thus, the activities of the Acquirer and Target do not horizontally overlap with each other. It has been further clarified in the notice that Ageas and RSGI are not engaged in vertically linked markets in India.



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7. Considering the facts on record, the details provided in the notice given under Section 6(2) of the Act and the assessment of the Proposed Combination on the basis of factors stated in Section 20(4) 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. Accordingly, the Commission hereby approves the same under Section 31(1) of the Act.
8. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.
9. The information provided by the Acquirer is confidential, at this stage, in terms of and subject to the provisions of Section 57 of the Act.
10. The Secretary is directed to communicate to the Acquirer accordingly.