



COMPETITION COMMISSION OF INDIA
(Combination Registration No.C-2021/12/894)

20th January 2022

**Notice under Section 6(2) of the Competition Act, 2002 filed by Generali Participations
Netherlands N.V.**

CORAM:

Mr. Ashok Kumar Gupta
Chairperson

Ms. Sangeeta Verma
Member

Mr. Bhagwant Singh Bishnoi
Member

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

1. On 23.12.2021, the Competition Commission of India (**Commission**) received a notice under Section 6(2) of the Competition Act, 2002 (**Act**) filed by Generali Participations Netherlands N.V. (**GPN/Acquirer**) in relation to an increase in its shareholding in Future Generali India Life Insurance Company Limited (**FGLIC/Target**). It is mentioned that GPN proposes to increase its equity shares of FGLIC in tranches, pursuant to which, GPN's aggregate shareholding in FGLIC will stand increased from 49% to up to approx. 71% (hereinafter, GPN and FGLIC are collectively referred to as **Parties**).



2. Further, it is mentioned that, currently, FGLIC is a loss-making company and urgently requires additional capital to meet regulatory solvency requirements. FGLIC and its shareholders have agreed that such capital shall be provided by GPN through the following steps:
 - a) subscribing to additional shares of FGLIC, to be issued by FGLIC through preferential allotment, increasing GPN's aggregate equity shareholding in FGLIC to 53.2% (**First Tranche**);
 - b) acquiring the entirety of Industrial Investment Trusts Limited's (**IITL**) shareholding of approx. 15.2% in FGLIC, such that IITL would cease to be a shareholder of FGLIC (**Second Tranche**); and
 - c) subscribing to additional shares of FGLIC, to be issued by FGLIC through preferential allotments (through one or more tranches), thereby increasing GPN's aggregate equity shareholding in FGLIC to approx. 71% (**Third Tranche**).

((a), (b) and (c) above are collectively referred to as the **Proposed Combination**).
3. The notice was filed pursuant to the execution of (i) Framework Agreement dated 18.12.2021 entered into between FGLIC's shareholders (i.e., GPN, IITL, Future Enterprises Limited and Sprint Advisory Services Private Limited (**Sprint**); (ii) Shareholders Agreement dated 18.12.2021 entered into between FGLIC and its aforesaid shareholders; and (iii) Share Purchase Agreement dated 18.12.2021 entered into between GPN and IITL.
4. Certain information(s)/clarification(s) necessary for the purpose of carrying out competition assessment of the Proposed Combination were sought from the Parties; the response to the same was received on 04.01.2022.
5. GPN is a wholly owned subsidiary of Assicurazioni Generali S.p.A (**Generali Group**), the ultimate parent entity of the Generali Group of companies. GPN is an investment



holding company. GPN is also engaged in the provision of finance activities, by borrowing and lending money, including private borrowings, worldwide.

6. It is submitted that, in India, GPN is only active as an investment holding company, through which it holds shares (directly and indirectly) in joint ventures with Future Group, which are engaged in the provision of insurance services. It is also stated that GPN holds an indirect minority shareholding in Europ Assistance India Pvt. Ltd., a wholly owned subsidiary of Generali Group, which is primarily engaged in the provision of automotive and roadside assistance services, medical and travel services and concierge services in India.
7. Generali Group is an Italian insurance group and is stated to be one of the largest global insurance and asset management providers worldwide. In India, Generali Group operates in the insurance business (through GPN) through joint ventures with Future Group.
8. FGLIC, a company incorporated in India, is a life insurance company registered with the Insurance Regulatory and Development Authority of India (**IRDAI**). FGLIC is stated to be a joint venture between three groups, viz., Generali Group, Future Group and IITL. It is engaged in the provision of life insurance services/products in India.
9. It is submitted that GPN is engaged in the provision of life insurance services in India through the Target/FGLIC. It is also submitted that the Proposed Combination only involves an exit of one shareholder and increase in the stake of another shareholder in FGLIC. Further, it is submitted that, for the purposes of the Proposed Combination, the relevant market may be defined as the '*market for provision of life insurance services in India*'.
10. It is submitted that FG&G Distribution Private Limited (**FG&G**) is a joint venture between the Generali Group and Future Group, engaged in the distribution of insurance services/products in India. FG&G primarily distributes life insurance products and policies of the Target and of Future Generali India Insurance Company Limited



(FGIIC) (a Generali Group – Future Group JV, engaged in the provision of general insurance services in India). Therefore, the Target and FG&G have an existing vertical relationship. It is submitted that the relevant market at the downstream level in relation to the vertical relationship between the Target and FG&G may be defined as the ***‘market for the distribution of life insurance services in India’***.

11. The Commission decided to leave the precise delineation of the relevant market(s) open in the present case as it is observed that the Proposed Combination is not likely to cause an appreciable adverse effect on competition in any of the plausible relevant market(s) that could be delineated.
12. Based on the submissions of Parties, it is noted that the combined market share of the Parties is insignificant in the market for the provision of life insurance services in India. Further, there are other players in the market, such as LIC, SBI Life Insurance, HDFC Life Insurance and ICICI Prudential Life Insurance, who will continue to pose competitive constraints to the Parties post the Proposed Combination. In relation to vertical relationship, it is noted that the Target’s market share in life insurance in India and FG&G’s market share in the market for the distribution of life insurance services in India is negligible to raise any competition foreclosure concerns in India. Further, in the downstream market, there are various channels for the sales of insurance policy, such as banks, corporate agents, corporate brokers and individual brokers or agents.
13. Considering the material on record, including the details provided in the notice and the assessment of the Proposed Combination based on 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. Therefore, the Commission approves the Proposed Combination under Section 31(1) of the Act.
14. This order may stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.



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15. The information provided by the Acquirer shall be treated as confidential in terms of and subject to the provisions of Section 57 of the Act.

16. The Secretary is directed to communicate to the Acquirer accordingly.