



**COMPETITION COMMISSION OF INDIA**  
(Combination Registration No. C-2018/09/600)

**26<sup>th</sup> September, 2018**

**Notice under Section 6 (2) of the Competition Act, 2002 given by (i) SafeCrop Holdings Private Limited; (ii) WestBridge AIF 1; (iii) Rakesh Jhunjhunwala; (iv) MIO Star; (v) MIO IV Star; (vi) Madison India Opportunities Trust Fund; (vii) APIS Growth 15 Ltd. (viii) University of Notre Dame DU LAC; (ix) Massachusetts Institute of Technology; (x) GP Emerging Strategies LP**

**CORAM:**

**Mr. Sudhir Mital**  
**Chairperson**

**Mr. Augustine Peter**  
**Member**

**Mr. U. C. Nahta**  
**Member**

**Legal Representatives of the parties:** Nishith Desai Associates

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

1. On 11<sup>th</sup> September, 2018, 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) SafeCrop Holdings Private Limited (**SafeCrop**); (ii) WestBridge AIF 1 (**WestBridge**); (iii) Rakesh Jhunjhunwala (**RJ**); (iv) MIO Star (**Madison 1**); (v) MIO IV Star (**Madison 2**); (vi) Madison India Opportunities Trust Fund (**Madison 3**); (vii) APIS Growth 15 Ltd. (**APIS**); (viii) University of Notre Dame DU LAC (**UND**); (ix) Massachusetts Institute of Technology (**MIT**); and (x) GP Emerging Strategies LP (**GP**). [Hereinafter collectively referred to as '**Acquirers**']
2. The notice has been filed pursuant to execution of the following agreements: (i) Long Form Share Purchase Agreement (SPA) dated 16<sup>th</sup> August, 2018; (ii) Minority Shareholders SPA dated 16<sup>th</sup> August, 2018; (iii) CMD SPA dated 16<sup>th</sup> August, 2018; (iv) Conditional SPA dated 16<sup>th</sup> August, 2018; (v) Share Subscription Agreement (SSA) dated 6<sup>th</sup> September, 2018 and (vi) Shareholders



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Agreement (SHA) dated 6<sup>th</sup> September, 2018. The Proposed Combination relates to the acquisition of 100% of the paid up equity share capital of Star Health and Allied Insurance Company Limited (**Star Health/Target**) by the Acquirers through SafeCrop.

3. 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, mediclaim and overseas travel insurance. It sells policies through licensed intermediaries such as corporate agents, brokers and insurance agents. Star Health neither has any operation, turnover nor any asset outside India.
4. SafeCrop is an investment holding company incorporated for the purposes of the Proposed Combination. It is set up as a special purpose vehicle (SPV) as per the IRDAI (Investment by Private Equity Funds in Indian Insurance Companies) Guidelines, 2017.
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.
6. Rakesh Jhunjunwala is a financial investor in India. He is co-investing with his wife Mrs. Rekha Jhunjunwala and with certain other affiliates who would be acquiring less than 1% of the equity capital of SafeCrop.
7. APIS is a private equity investor incorporated as a company under the laws of Mauritius. APIS Group currently undertakes only investment related activities across sectors such as banks, insurance, specialty finance, payments, technology enablers and service providers in Africa, the Indian sub-continent and South East Asia. APIS Group presently has minority investments in Star Health and these shares are proposed to be sold to SafeCrop under the Long Form SPA.
8. 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 through SafeCrop. The voting rights and control of



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Madison 1 and Madison 2 are 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 with as a Category II AIF under the SEBI (Alternative Investment Fund Guidelines) Regulations, 2012.

9. The series of steps constituting the Proposed Combination envisages primary infusion of capital in SafeCrop by the Acquirers for the purpose of providing interim funding to Star Health as well as acquisition of its shares. Upon first closing, SafeCrop will hold at least 90.01% shareholding in Star Health. Upon second closing, it will increase its holding to 99.24% and the balance 0.76% will be acquired over a period of 18 months from the first closing.
10. 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.
11. It is observed that the WestBridge Group and RJ 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.
12. 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.
13. This order shall stand revoked if, at any time, the information provided by the Acquirers is found to be incorrect.
14. The information provided by the Acquirers is confidential at this stage in terms of and subject to provisions of Section 57 of the Act.



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15. The Secretary is directed to communicate to the Acquirers accordingly.