



COMPETITION COMMISSION OF INDIA
(Combination Registration No: C-2022/02/903)

15.03.2022

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 02.12.2022, the Competition Commission of India (**Commission**) received a notice under sub-section (2) of Section 6 of the Competition Act, 2002 (**Act**), filed by Generali Participations Netherlands N.V. (**GPN/Acquirer**). The proposed combination relates to GPN's acquisition of approximately 25% of the equity share capital of Future Generali India Insurance Company Limited (**FGIIC/Target**) held by Future Enterprise Limited (**FEL**), pursuant to which GPN's aggregate (direct and indirect) shareholding in FGIIC will stand increased from 49% to approx. 74% (**Proposed Combination**) (hereinafter, GPN and FGIIC are collectively referred to as '**Parties**').
2. The notice has been filed pursuant to (i) Share Purchase Agreement dated 26.01.2022 (**FGIIC SPA**) entered into between FEL and GPN; (ii) a Second Amendment and Restatement Agreement to the Joint Venture Agreement dated 26.01.2021 (**FGIIC SHA**) entered into amongst FEL, GPN, Shendra and FGIIC; and (iii) amended Shendra



SHA dated 26.01.2022 (**Shendra SHA**) entered into amongst FEL, GPN, Future Corporate Resources Private Limited (**FCRPL**) and Shendra.

3. 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 23.02.2022 and 09.03.2022 (**Response**).
4. 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 belongs to the Generali Group. It is an investment holding company which is engaged in the provision of finance activities, by borrowing and lending money, including private borrowings, worldwide. 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 mentioned that GPN also holds an indirect minority shareholding in EuropAssistance India Pvt. Ltd., a wholly owned subsidiary of Generali Group. EuropAssistance India Pvt. Ltd is primarily engaged in the provision of automotive and roadside assistance services, medical and travel services and concierge services in India.
5. Generali Group is an Italian insurance group. It 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.
6. FGIIC is a general insurance company registered with the IRDAI. It is stated that FGIIC is a joint venture between two groups of companies, viz., Generali Group and Future Group. FGIIC is engaged in the provision of general insurance services/products in India. It is also mentioned that general insurance services of FGIIC encompasses health insurance, personal accident insurance, hospital cash plan, travel insurance, student travel insurance, motor insurance, home insurance, lifestyle insurance, commercial insurance, social/rural insurance and Pradhan Mantri Fasal Bima Yojna. FGIIC has no subsidiaries. Further, FGIIC does not have any business or operations outside India.



7. It is mentioned that Future Group is one of India's leading business groups, with interests in retail, food, FMCG and fashion. Future Group and Generali Group hold their shares directly in FGIIC, and also indirectly through a special purpose vehicle, Shendra.
8. It is stated that GPN is engaged in the provision of general insurance services in India through FGIIC. It is submitted that the Proposed Combination only involves an increase in the stake by an existing shareholder. Further, it is submitted that, for the purposes of the Proposed Combination, the relevant market may be defined as the market for "*provision of general insurance services in India*". The Parties have also provided data for possible sub-segments of the general insurance market in India: (a) fire insurance; (b) marine insurance; (c) personal accident insurance; (d) health insurance; (e) engineering insurance; (f) aviation insurance; (g) liability insurance; (h) motor insurance; (i) weather/crop insurance; and (j) other insurance (hereinafter, these sub-segments together are referred to as '**Sub-segments of General Insurance in India**').
9. With regard to vertical relationship, it is mentioned that FG&G Distribution Private Limited (**FG&G**) is a joint venture between Generali Group and Future Group, engaged in the distribution of insurance services/products in India. FG&G distributes the general insurance products and policies of the Target as well as life insurance products of FGIIC. Therefore, Target and FG&G have an existing vertical relationship. It is submitted that the relevant market (**Upstream**) for the purposes of the Proposed Combination be defined as the "*market for general insurance services in India*". It is also submitted that the relevant markets at the downstream level in relation to the vertical relationship between the Target and FG&G be defined as the "*market for the distribution of insurance services in India*" (**Downstream Market**).
10. 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.
11. Based on the submissions of Parties, it is noted that the market share of FGIIC is insignificant in the provision of general insurance services in India and is in range of



(0 – 5) per cent in Sub-segments of General Insurance in India. Further, there are other players present in general insurance services in India such as New India Assurance, United India Insurance, National Insurance Co and ICICI Lombard, who will continue to give competitive constraints to the Parties post the Proposed Combination. Further, the presence of the Target in the Upstream market for general insurance as well as the presence of FG&G in the Downstream Market are insignificant to raise any competition foreclosure concerns in India. It is also mentioned that there are various other players in the Downstream Market, such as Invictus Insurance Broking, D2C Insurance Broking, UMBO ID Tech and Design For Use Consulting.

12. 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.
13. This order may stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.
14. The information provided by the Acquirer shall be treated as confidential in terms of and subject to provisions of Section 57 of the Act.
15. The Secretary is directed to communicate to the Acquirer accordingly.