

Competition Commission of India

08th January, 2013

Combination Registration No. C-2012/12/100

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

1. On 18th December, 2012, the Competition Commission of India (hereinafter referred to as the “**Commission**”) received a notice under sub-section (2) of Section 6 of the Competition Act, 2002 (hereinafter referred to as the “**Act**”) of a proposed combination given by MetLife International Holdings, Inc. (hereinafter referred to as “**MetLife International**”) and MetLife India Insurance Company Limited (hereinafter referred to as “**MetLife**”). The notice was given pursuant to MetLife International executing separate share purchase agreements with IGE (India) Limited; Jammu & Kashmir Bank Limited; and Chintalapati Holdings Private Limited, on 4th December, 2012.
2. The proposed combination relates to acquisition of 177,882,035 equity shares in MetLife by MetLife International¹, pursuant to which MetLife International would hold 26 per cent of the equity share capital of MetLife.
3. The proposed combination falls under Section 5 (a) of the Act.
4. MetLife, the enterprise whose shares are being acquired is a public unlisted company incorporated in India, and is a joint venture between MetLife International, an affiliate of MetLife, Inc., and a group of Indian promoters and investors. MetLife is primarily engaged in the business of life insurance and also offers other services such as pension plans and annuities in India. MetLife, Inc. is a leading global provider of insurance, annuities and employee benefit programs in around 50 countries through its subsidiaries and affiliates. MetLife International is stated to hold 26 per cent of the shareholding in MetLife, which is the maximum investment permitted under the current foreign direct investment (FDI) regulations pertaining to the insurance sector in India.
5. It is observed that the shareholding of MetLife International would be reduced to 19.31 per cent after the proposed acquisition of 30 per cent shares in MetLife by Punjab National Bank (hereinafter referred to as “**PNB Transaction**”). The Commission considered and approved the notice given under sub-section (2) of Section 6 of the Act in respect of the PNB Transaction vide its order dated 26th December, 2012, under sub-section (1) of Section 31 of the Act. The proposed combination, notice for which has been given by MetLife International and MetLife

¹ The acquisition of 177,882,035 equity shares by MetLife International comprises of subscription of 43,313,405 equity shares and acquisition of 134,568,630 equity shares from other existing shareholders of MetLife.

as mentioned above, is envisaged to restore the shareholding of MetLife International in MetLife to 26 per cent that would be reduced pursuant to the PNB Transaction.

6. Considering the facts on record and the details provided in the notice, the Commission is of the opinion that the proposed Combination is not likely to have an appreciable adverse effect on competition in India and, therefore, the Commission hereby approves the proposed combination under sub-section (1) of Section 31 of the Act.
7. This approval is without prejudice to any other legal/statutory obligations as applicable.
8. This order shall stand revoked if, at any time, the information provided by the parties to the combination is found to be incorrect.
9. The Secretary is directed to communicate to the MetLife International and MetLife accordingly.