



**COMPETITION COMMISSION OF INDIA**

(Combination Registration No. C-2015/02/251)



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**26.03.2015**

**Notice u/s 6 (2) of the Competition Act, 2002 given by Taurus Ventures Limited and Capricorn Ventures Limited**

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

1. On 26<sup>th</sup> February 2015, 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 (“**Act**”) filed by Taurus Ventures Limited (“**Taurus**”) and Capricorn Ventures Limited (“**Capricorn**”). As per the notice, both Taurus and Capricorn were incorporated on 1<sup>st</sup> January, 2015 for the sole purpose of facilitating the proposed combination and are at present the wholly owned subsidiaries of Max India Limited (“**Max**”).
2. The said notice was given pursuant to approval by the board of directors of Taurus, Capricorn and Max to the scheme of reorganization by way of demerger under Sections 391 to 394 read with Sections 100 to 103 of the Companies Act, 1956, through separate board resolutions, each dated 27<sup>th</sup> January 2015. (Hereinafter Taurus, Capricorn and Max will be collectively referred to as ‘**Parties**’).
3. The proposed combination essentially involves transfer of shareholding of Max in certain entities (“**Demerger Entities**”), through which Max operates different businesses, to Taurus and Capricorn and pursuant to which, Taurus and Capricorn shall hold all the investments of Max, apart from the Max Life Insurance Company Limited (“**MLIC**”). The proposed combination comprises a number of steps viz., (a) acquisition of shareholding of Max in the Demerger Entities by Taurus and Capricorn as detailed in the scheme of demerger. Pursuant to the demerger, Max will continue to hold its remaining business including holding the shares of MLIC in the same proportion; and (b) cancellation of shares held by Max in Taurus and Capricorn and allotment of shares in Taurus and Capricorn to the shareholders of Max, (i.e. the promoter group and public shareholders) in the



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same proportion as the current shareholding. As a result, pursuant to the proposed combination, Max, Taurus and Capricorn will have the same shareholding structure as the existing shareholding structure of Max.

4. The proposed combination falls under section 5 (a) of the Act.
5. The Parties have submitted that though the proposed combination, being in the nature of intra-group reorganization, may qualify for exemption under Item 8 of Schedule I of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 (“**Combination Regulations**”), the notice has been given because some of the entities involved within the proposed combination are jointly controlled by Max and other enterprises that are not part of the Max group and therefore, fall outside the scope of Item 8 of Schedule I of the Combination Regulations.
6. As per Item 8 of Schedule I of the Combination Regulations read with regulation 4 of the Combination Regulations, notice in respect of *“an acquisition of shares or voting rights or assets, by one person or enterprise, of another person or enterprise within the same group, except in cases where the acquired enterprise is jointly controlled by enterprises that are not part of the same group”*, need not normally be filed under sub-section (2) of Section 6 of the Act.
7. On the basis of information as provided in the notice and other documents on record, the Commission noted that though the proposed combination effectively does not fall within the scope of Item 8 of Schedule I of the Combination Regulations, it will not result in any change in control over the Demerger Entities or the competitive landscape of the markets in which they operate.
8. Considering the facts on record and the 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 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



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to have an 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.

9. This approval is without prejudice to any other legal/statutory obligations as applicable.
10. This order shall stand revoked if, at any time, the information provided by the Parties is found to be incorrect.
11. The Secretary is directed to communicate to the Parties accordingly.