



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2015/05/277)



09.07.2015

Notice under section 6(2) of the Competition Act, 2002 given by

- AEGON India Holding B.V.
- Bennett, Coleman & Co. Limited

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

1. On 22nd May 2015, the Competition Commission of India (“**Commission**”) received a notice under sub-section (2) of Section 6 of the Competition Act, 2002 (“**Act**”) filed by AEGON India Holding B.V.(“**AEGON**”) and Bennett, Coleman & Co. Limited (“**BCCL**”).[Hereinafter AEGON and BCCL are collectively referred to as “**Parties**”].
2. The proposed combination relates to re-arrangement of the constituent members of AEGON Religare Life Insurance Company Limited (“**ARLIC**”) by way of increase in the shareholding of each of AEGON and BCCL in ARLIC and exit of Religare Enterprises Limited (“**Religare**”) as a shareholder of ARLIC. At present, AEGON, BCCL, Religare and K.P. Corporate Solutions Limited, as a trustee for AEGON Religare Employee Benefits Trust, are the joint venture partners of ARLIC holding 26 percent, 27.585 percent, 44 percent, 2.415 percent shares respectively. As stated in the notice, as a result of the proposed combination, AEGON, BCCL and K.P. Corporate Solutions Limited would respectively hold 49 percent, 48.585 percent and 2.415 percent shares in ARLIC.
3. The Parties have entered into the following agreements for the purpose of the proposed combination:
 - a. BCCL, AEGON and ARLIC have executed a Share Purchase Agreement on 8th May 2015 for the sale of 23 percent of the shares in ARLIC by BCCL to AEGON (“**AEGON SPA**”);



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- b. BCCL, Religare and ARLIC have entered into two Share Purchase Agreements on 8th May 2015 (“**Religare SPAs**”), pursuant to which BCCL has agreed to acquire 44 percent of the shares in ARLIC from Religare.
- c. AEGON, BCCL and ARLIC have also entered into a Shareholders Agreement on 8th May 2015.
4. In terms of Regulation 14 of the Competition Commission of India (Procedure in regard to transaction of business relating to combinations) Regulations, 2011 (**‘Combination Regulations’**), vide letter dated 05.06.2015, the Parties were required to remove defects and furnish certain information/document(s) by 09.06.2015. The Parties filed their partial response on 12.06.2015 and final response on 16.06.2015, after seeking extension of time. Since the response dated 16.06.2015 was incomplete, vide letter dated 23.06.2015, the Parties were again required to remove defects and furnish certain information/documents latest by 23.06.2015. The Parties filed their response on 03.07.2015, after seeking extension of time.
5. AEGON, a company incorporated under the laws of Netherlands, is a part of AEGON group of companies, *inter-alia*, an international provider of life insurance, pension and asset management. AEGON group which is stated to have presence in more than 25 countries globally, operates in the Indian life insurance sector through its shareholding in ARLIC.
6. BCCL, a company incorporated under the Companies Act, 1956 is stated to be a flagship company of the Times Group. BCCL is present in India, *inter-alia*, in media, print, TV and internet. As stated in the notice, BCCL is also present in the life insurance sector in India through its shareholding in ARLIC.
7. ARLIC is stated to operate in the life insurance sector and provides life insurance products/services in India.



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Fair Competition
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8. The proposed combination pertains to insurance sector in India. As per the Annual report of Insurance Regulatory and Development Authority of India (“**IRDA**”) for the year 2013-14, that there are 53 insurance companies operating in India, of which 24 are in the life insurance business and 28 are in non-life insurance business and General Insurance Corporation of India is the sole national reinsurer. Of the 24 life insurance companies, LIC is the only public sector life insurance company and of the total life insurance premium for the year ended 2013-14, the life insurance premium attributable to LIC is approximately 75.39 percent. The insurance sector is a regulated sector in India and any investment or entry into the insurance sector is subject to prior approval of the IRDA.
9. It is observed that Parties do not provide any similar or identical or substitutable products or services in India. Further, AEGON is present in the life insurance sector in India only through its stake in ARLIC. Similarly, BCCL also does not have any presence in the life insurance sector in India except through its stake in ARLIC and its insignificant indirect shareholding in two insurance brokerage companies, namely SMC Insurance Brokers Private Limited (“**SMC**”) and AB Insurance Brokers Private Limited (“**AB**”). It is observed that the vertical relationship between ARLIC and AB and SMC is insignificant, given the fact that the contribution of AB and SMC to the total life insurance premium, including the renewal premium, collected by ARLIC for the financial year 2014-15 is approximately 9 percent and 2 percent, respectively. It is also noted that the market share of ARLIC amongst all the life insurance providers in India in 2013-14 was less than one percent. Moreover, the proposed combination would not change the competitive landscape in the life insurance sector as it will only lead to a change in control in ARLIC.
10. Considering the facts on record and the details provided in the notice given under subsection (2) of Section 6 of the Act and the assessment of the combination after considering the relevant factors mentioned 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 proposed combination under sub-section (1) of Section 31 of the Act.



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11. This order shall stand revoked if, at any time, the information provided by the Parties is found to be incorrect.
12. The Secretary is directed to communicate to the Parties accordingly.