



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2015/10/326)



*Fair Competition
For Greater Good*

09.11.2015

Notice u/s 6 (2) of the Competition Act, 2002 ('Act') given by:

- Aviva International Holdings Limited

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

CORAM:

Mr. Sudhir Mital

Member

Mr. Augustine Peter

Member

Mr. U. C. Nahta

Member

Mr. M. S. Sahoo

Member

Mr. G. P. Mittal

Member

Legal representative: M/s Khaitan Legal Associates

1. On 16th October 2015, Competition Commission of India ("**Commission**") received a notice under sub-section (2) of Section 6 of the Competition Act, 2002 ("**Act**") filed by Aviva International Holdings Limited ("**Acquirer**"). The notice was filed pursuant to issuance of a sale notice by the Acquirer to Dabur Invest Corp ("**DIC**"/"**Seller**").



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2. The proposed combination involves the purchase of additional 23 per cent shares by the Acquirer from the Seller in Aviva Life Insurance Company India Limited (“**Aviva India**” /“**Target**”), which is an existing joint venture between the Acquirer and the Seller. Post the proposed combination, the shareholding of the Acquirer in the Target will increase from 26 per cent to 49 per cent.
3. The Acquirer is a company incorporated in United Kingdom and is a part of the Aviva group. It is a holding company and holds majority of non-UK operations of the Aviva group in Asia, including in India, Indonesia, Taiwan and Vietnam. The Acquirer does not provide insurance products or services in India.
4. Aviva India is a public limited company incorporated under the Companies Act, 1956. It is engaged in life insurance business and is registered with the Insurance Regulatory and Development Authority of India.
5. It is noted that at present, the Acquirer enjoys certain affirmative rights in Target including, *inter alia*, affirmative right on any resolution regarding carrying of business (or ancillary activities) other than business undertaken by the Target at present and the appointment or removal of directors. It is noted that as per the decisional practice of the Commission, such rights confer control and therefore, at present the Acquirer has joint control over the Target. It is submitted by the Acquirer that since the rights enjoyed at present by the Acquirer in the Target shall remain unchanged post combination, the increase in the shareholding of the Acquirer in Target, post combination, will not result in any change in control over the Target.
6. The proposed combination is not covered under Item 1A of Schedule I of the Competition Commission of India (Procedure in regard to transaction of business relating to combinations) Regulations, 2011. While the Acquirer already holds more than 25 per cent shares in the Target, the increase in its shareholding in the Target exceeds the limit of acquisition of 5 per cent in a financial year as set out in the Item 1A.
7. In view of the foregoing, it is noted that since there is no change in control over the Target on account of the proposed acquisition of additional shares by the Acquirer



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from its existing joint venture partner, the proposed combination is not likely to alter the competitive landscape in the life insurance sector in India.

8. Considering the facts on record and 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 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 order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.
10. The Secretary is directed to communicate to the Acquirer accordingly.