



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2015/12/362)

15th January 2016

Notice under Section 6 (2) of the Competition Act, 2002 given by Sun Life Financial (India) Insurance Investments Inc.

CORAM:

S.L. Bunker
Member

Sudhir Mital
Member

Augustine Peter
Member

U.C. Nahta
Member

G.P. Mittal
Member

Legal Representative: M/s Vinod Dhall and tt&a

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

1. On 29th December 2015, the Competition Commission of India (“**Commission**”) received a notice filed by Sun Life Financial (India) Insurance Investments Inc. (“**Acquirer**”/ “**Sun Life India**”) under Section 6 (2) of the Competition Act, 2002 (“**Act**”). The notice was filed pursuant to a Share Sale and Purchase Agreement (“**SPA**”) dated 2nd December 2015 entered between, *inter alia*, the Acquirer and Aditya Birla Nuvo Limited (“**Seller**”/ “**ABNL**”).
2. The proposed combination relates to the acquisition by Sun Life India, of an additional twenty three per cent of the aggregate paid up equity share capital of Birla Sun Life Insurance Company Limited (“**Target**”/ “**BSLI**”) from the Seller. Subsequent to the



proposed combination, ABNL's shareholding of the aggregate paid up equity share capital in BSLI will be reduced from seventy four per cent to fifty one per cent and the shareholding of the Acquirer will increase from twenty six per cent to forty nine per cent.

3. The Acquirer, a company incorporated under the laws of Canada, is a subsidiary of Sun Life Assurance Company of Canada ("**Sun Life Canada**").
4. The Target is an Indian life insurance company which is a joint venture between the Seller and the Acquirer.
5. As stated in the notice, the Seller is an Indian company with operations in the services and the manufacturing sectors. It is a part of the Aditya Birla group of companies. The Acquirer has submitted that service sector businesses of ABNL include financial services, fashion & lifestyle and telecom.
6. It is noted that the Acquirer already holds 26% shareholding in the Target; As per the decisional practice of the Commission, it has joint control of the Target. It is also noted that the amended and restated shareholders' agreement ("**SHA**") dated 10th April 2012, amongst, *inter alia*, Sun Life India and BSLI provides that affirmative vote of the Acquirer would be required for, *inter alia*, any material change in the nature of the business carried on by BSLI or the entering into of a new business of BSLI, the approval of BSLI's business plans, which will include, among other items, an annual budget, product development proposals and the investment policy and appointment and removal of the CEO. 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 the Target, post combination, will not result in any change in control of the Target.
7. 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



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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.

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