



**COMPETITION COMMISSION OF INDIA**  
(Combination Registration No. C-2021/05/836)

17<sup>th</sup> June 2021

**Notice under Section 6 (2) of the Competition Act, 2002 jointly filed by India Advantage Fund S4 I, Dynamic India Fund S4 US I and NHPEA Trisul Holding B.V.**

**CORAM:**

Mr. Ashok Kumar Gupta  
Chairperson

Ms. Sangeeta Verma  
Member

Mr. Bhagwant Singh Bishnoi  
Member

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

1. On 12<sup>th</sup> May 2021, the Competition Commission of India (**Commission**) received a notice under Section 6(2) of the Competition Act, 2002 (**Act**) jointly given by India Advantage Fund S4 I (**IAF S4I**), Dynamic India Fund S4 US I (**DIF**) and NHPEA Trisul Holding B.V. (**NTH**). The notice has been filed pursuant to, *inter alia*, the Share Purchase Agreement dated 17<sup>th</sup> March 2021, executed amongst Magma HDI General Insurance Company Limited (**Magma HDI/ Target**), Celica Developers Private Limited (**Celica**), IAF S4 I, DIF and NTH.
2. The Proposed Combination contemplates the acquisition of:
  - a. an effective combined interest of less than 25% (on a fully diluted basis) of the share



capital of Magma HDI by IAF S4 I and DIF, acting through SPV-I (**Acquirer-1**) (**IAF/DIF Transaction**); and

- b. an effective combined interest of less than 10% (on a fully diluted basis) of the share capital of Magma HDI by NTH (**NTH Transaction**).

The IAF/DIF Transaction and the NTH Transaction are collectively referred to as the '**Proposed Combination**'. (Hereinafter, IAF S4 I, DIF and NTH are collectively referred to as '**Acquirers**', and the Acquirers and Target collectively referred to as '**Parties**').

3. Certain information(s)/clarification(s) necessary for the assessment of the Proposed Combination were sought from the Acquirers; the responses to these were received on 3<sup>rd</sup> June 2021.
4. SPV-I is a private limited company incorporated in India in accordance with the IRDAI (Investment by Private Equity Funds in Indian Insurance Companies) Guidelines, 2017, for the purpose of investing in the share capital of the Target.
5. IAF S4 I is a determinate and contributory trust registered under the Indian Trusts Act, 1882 and is registered with the SEBI as a category II Alternative Investment Fund (**AIF**). It carries on activities subject to the SEBI (AIF) Regulations, 2012 and its investment objectives as set out in its fund documents. IDBI Trusteeship Services Limited (**Trustee**) is the trustee for IAF S4 I and ICICI Venture Funds Management Company Limited (**IVEN**) is the investment manager.
6. DIF is an entity incorporated in Mauritius and holds a Global Business License issued by the Financial Services Commission, Mauritius. DIF is a pooling vehicle for investments in India. It is a self-managed, closed-end fund categorized as a professional collective investment scheme under the (Mauritius) Securities Act, 2005 and the Securities (Collective Investment Scheme and Closed-end Funds) Regulations 2008. DIF is registered with the SEBI as a "Foreign Portfolio Investor". However, for the Proposed Combination, investment in Magma HDI (through the SPV-I) would be through the Foreign Direct



Investment (FDI) route and not the Foreign Portfolio Investment (FPI) route. The notice states that DIF is managed by a professionally appointed board, and none of its shareholders have representation on its board. DIF does not have any promoters.

7. NTH is an investment holding company incorporated in the Netherlands, which ultimately belongs to a fund managed or controlled by an affiliate of Morgan Stanley. Morgan Stanley, a financial holding company, is a global financial services firm that maintains market positions in each of its business segments, such as Institutional Securities, Wealth Management and Investment Management.
8. Magma HDI is a general insurance company incorporated in India and registered with the IRDAI. Magma HDI is a joint venture between the Magma Group and HDI Global SE (HDI). It is engaged in non-life/general insurance business in India and offers products across various categories, including Motor, Health, Personal Accident, Home, Fire, Engineering, etc., to secure all major risks in the general insurance sphere.
9. It is stated in the notice that SPV-I/Acquirer-1 is not present in the market for non-life general insurance in India either directly or indirectly. Further, neither IAF S4 I/DIF nor funds managed by IVEN are present in the market for non-life general insurance in India either directly or indirectly. In relation to NTH Transaction, it is stated that there are no horizontal overlaps between NTH, the Morgan Stanley Group and the Target.
10. With regard to vertical relationship, it is stated in the notice that SPV-I/Acquirer-1 does not have vertical overlaps/complementary activities with the activities of the Target. Further, there are no vertical overlaps/complementary activities among IAF S4 I, DIF, funds managed by IVEN and the activities of Magma HDI.
11. In relation to NTH Transaction, it is stated that certain portfolio companies of the Morgan Stanley Group are engaged in the distribution of general insurance products as corporate agents. Further, it is stated that there are no existing vertical linkages between NTH and the Target. However, as stated earlier, the Target is engaged in the provision of general



insurance products in India, while portfolio companies of Morgan Stanley Group provide the distribution of insurance as an ancillary service. Accordingly, there is a potential vertical relationship between the Morgan Stanley Group and Target.

12. It is stated in the notice that the relevant market could be defined at the upstream market for the provision of general insurance in India (**Upstream Market**) and at the downstream market for the distribution of insurance in India (**Downstream Market**).
13. The Commission decided to leave the exact delineation of the relevant market open as it observed that the Proposed Combination, for reasons detailed in the ensuing paragraph, is not likely to cause an appreciable adverse effect on competition in India in any of the plausible alternative relevant markets that could be delineated.
14. Based on the submission, it is observed that the presence of the portfolio companies of the Morgan Stanley Group and Target are not significant at Upstream Market or Downstream Market to raise any competition foreclosure concerns. It is also noted that there are other players present in the general insurance business, such as New India Assurance, United India Insurance, National Insurance Company, Oriental Insurance Company and Bajaj Allianz General Insurance, who will continue to pose competitive constraints to the Parties post the Proposed Combination. It is also identified that the market for distribution of general insurance products is fragmented due to the presence of a large number of players such as Coverfox Insurance Broking Private Limited and Renewbuy.
15. Considering the material on record, including the details provided in the Notice and the assessment of the Proposed Combination based on the factors stated in Section 20(4) 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. Therefore, the Commission approves the Proposed Combination under Section 31(1) of the Act.
16. This order shall stand revoked if, at any time, the information provided by the Acquirers is found to be incorrect.



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17. The information provided by the Acquirers shall be treated as confidential in terms of and subject to provisions of Section 57 of the Act.

18. The Secretary is directed to communicate to the Acquirers accordingly.