



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2015/04/267)

13th May, 2015

Notice under Section 6 (2) of the Competition Act, 2002 given by AXA India Holdings and Société Beaujon

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

1. On 22nd April 2015, the Competition Commission of India (“**Commission**”) received a notice under sub-section 2 of Section 6 of the Competition Act, 2002 (“**Act**”) by AXA India Holdings (“**AXA India**”) and Société Beaujon. AXA India and Société Beaujon are hereinafter collectively referred to as “**Acquirers**”.
2. The proposed combination is an acquisition of additional shares by AXA India and Société Beaujon (directly or through their group companies) in their existing joint venture companies, i.e., Bharti AXA Life Insurance Company Limited (“**BAL**”) and Bharti AXA General Insurance Company Limited (“**BAGI**”), respectively. BAL and BAGI are hereinafter collectively referred to as “**Target companies**”. The acquisition will be made by way of purchase of shares from Bharti Insurance Holdings Private Limited (“**BIHPL**”), one of the existing shareholders in the BAL and BAGI. Whereas, AXA group holds 26 per cent shares in each of the Target Companies at present, post combination, it will hold 49 per cent in each of them. The remaining 51 per cent shares in the Target companies will continue to be held by Bharti group companies.
3. Notice has been filed pursuant to an application dated 24th April 2015 made to Foreign Investment Promotion Board by the Acquirer, which falls within the definition of “other document” under sub-section (2) of Section 6 read with sub-regulation (8) of Regulation 5 of the Competition Commission of India (Procedure in regard to transaction of business relating to combinations) Regulations, 2011.
4. AXA India is a private limited company incorporated under the laws of Mauritius. It is part of AXA group and was established as an investment holding company for the purpose of holding AXA group’s equity interests in joint ventures in India. Societe Beaujon is a company incorporated under the laws of France. It is also a part of AXA group and was established as an investment holding company for the purpose of holding AXA group’s equity interest in various jurisdictions.
5. BAL is an Indian life insurance joint venture company between Bharti group and AXA group. BAL offers a range of life insurance products and services. BAGI is an Indian



general insurance joint venture company between the Bharti group and AXA group. BAGI offers a range of general insurance products and services.

6. Though AXA group proposes to acquire additional shares in two different companies, namely, BAL and BAGI (through two different transactions), it is observed that both these transactions comprising the proposed combination may be treated as interconnected since a single term sheet has been executed for the purpose of both the acquisitions. The Acquirers have also claimed that the said acquisitions are to be treated as interconnected transactions.
7. As noted earlier, at present, AXA India and Société Beaujon hold a minority shareholding in BAL and BAGI, respectively. However, the Acquirers have joint control over the Target Companies due to the reason that they enjoy certain affirmative rights in the Target companies including, *inter alia*, the rights pertaining to approving the business plan or annual budget, commencement of any new business activity and appointing or dismissing the Company Secretary and the Chief Executive Officer, etc.
8. As the term sheet dated 17th March 2015 executed between AXA group of companies and BIHPL regarding the proposed combination provides that the rights enjoyed at present by the Acquirers in the Target Companies shall remain unchanged post combination, the increase in the shareholding of the Acquirers in the Target Companies, post combination, will not result in any change in control of the Target Companies.
9. In this regard, it is observed that the proposed combination is not covered under Item 1A of Schedule I of the the Competition Commission of India (Procedure in regard to transaction of business relating to combinations) Regulations, 2011. While the Acquirers already hold more than 25 per cent shares in the Target Companies, the increase in their shareholding in the Target Companies would be more than the limit of acquisition of 5 per cent shares in a financial year as set out in Item 1A.
10. In view of the foregoing, it is noted that since there is no change in control of the Target Companies on account of acquisition of additional shares by the Acquirers, the proposed combination is not likely to have any adverse impact on the competitive landscape in the insurance sector, in India.
11. 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 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.
12. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.



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