



Fair Competition  
For Greater Good

**COMPETITION COMMISSION OF INDIA**  
(Combination Registration No. C-2015/09/308)

7<sup>th</sup> October 2015

**Notice under Section 6 (2) of the Competition Act, 2002 given by Standard Life (Mauritius) 2006 Limited**

**CORAM:**

Mr. Ashok Chawla  
Chairperson

Mr. S. L. Bunker  
Member

Mr. Sudhir Mital  
Member

Mr. U.C. Nahta  
Member

Mr. M.S. Sahoo  
Member

**Legal Representative:** Cyril Amarchand Mangaldas

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

1. On 14<sup>th</sup> September 2015, the Competition Commission of India (“**Commission**”) received a notice under sub-section 2 of Section 6 of the Competition Act, 2002 (“**Act**”) by Standard Life (Mauritius) 2006 Limited (“**Acquirer**”). The notice was filed pursuant to execution of a Share Sale and Purchase agreement dated 14<sup>th</sup> August 2015 between the Acquirer, Housing Development Finance Corporation Limited (“**Seller**”) and HDFC Standard Life Insurance Company Limited (“**HDFC Life**”).
2. The proposed combination is a purchase of additional nine per cent shares by the Acquirer from the Seller in HDFC Life, which is an existing joint venture between the Acquirer and the Seller. Post the proposed combination, the shareholding of the Acquirer in HDFC Life will increase from twenty six per cent to thirty five per cent.



3. The Acquirer is a public company registered in Mauritius. It is a wholly owned subsidiary of Standard Life plc (“SL”), a public company incorporated in Scotland. It is submitted by the Acquirer that SL does not provide insurance products or services in India.
4. HDFC Life 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. As noted earlier, at present, the Acquirer holds a minority shareholding in HDFC Life. However, the Acquirer has joint control over HDFC Life due to the reason that it enjoys certain affirmative rights in HDFC Life, including, *inter alia*, adopt or amend the annual business plan, close down any business or dispose-off or dilute its interest in any of its subsidiaries for the time being and approve any remuneration of Whole time Directors and Managers (including any Chief Executive Officer). It is noted that since the rights enjoyed at present by the Acquirer in HDFC Life shall remain unchanged post combination, the increase in the shareholding of the Acquirer in HDFC Life, post combination, will not result in any change in control of HDFC Life.
6. 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 Acquirer already holds more than 25 per cent shares in HDFC Life, the increase in their shareholding in HDFC Life would be more than the limit of acquisition of five per cent shares in a financial year as set out in Item 1A.
7. In view of the foregoing, it is noted that since there is no change in control of HDFC Life on account of acquisition of additional shares by the Acquirer, the proposed combination is not likely to have any adverse impact on the competitive landscape in the insurance sector in India.
8. 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.



## COMPETITION COMMISSION OF INDIA



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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.