



Fair competition for greater good

COMPETITION COMMISSION OF INDIA

(Combination Registration No. C-2013/08/129)

10.09.2013

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

- Ratnakar Bank Limited.

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

1. On 29th August, 2013 the Competition Commission of India (hereinafter referred to as the “**Commission**”) received a notice under sub-section (2) of Section 6 of the Competition Act, 2002 (hereinafter referred to as the “**Act**”), given by Ratnakar Bank Limited (hereinafter referred to as “**Ratnakar Bank**” or the “**Acquirer**”). The notice was given pursuant to the execution of a Master Sale and Purchase Agreement entered into between Ratnakar Bank and The Royal Bank of Scotland N.V., (hereinafter referred to as “**RBS**”), on 8th August, 2013 (hereinafter referred to as the “**MSPA**”).
2. As per the information given in the notice, the proposed combination relates to the acquisition by Ratnakar Bank of the “Relevant Business” of RBS which includes credit card business, mortgage portfolio and business banking business, pursuant to the MSPA. As stated in the notice, ‘mortgage portfolio’ includes housing loans & loans against property and ‘business banking business’ includes providing small and medium sized enterprises with high end products & services.
3. The proposed combination falls under Section 5(a) of the Act.
4. Ratnakar Bank is a banking company within the meaning of The Banking Regulation Act, 1949. It has been stated in the notice that Ratnakar Bank provides retail banking, treasury and financial services, corporate and



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institutional banking, agri-banking etc. to its customers through 125 branches in India.

5. RBS is a wholly-owned subsidiary of RBS Holdings N.V. which is incorporated under the Dutch law. As per the details provided in the notice, RBS provides several services to its customers in India including retail and corporate banking, financial services, insurance and wealth management services, transaction banking, fixed income and foreign exchange products and services etc. through its 24 branches in India.

6. The proposed combination concerns the banking sector in India which is characterized by the presence of a large number of banks, mainly Scheduled Commercial Banks. The Scheduled Commercial Banks in India are classified into different categories such as public sector banks, private sector banks, foreign banks, and regional rural banks. As per the *Report on Trend and Progress of Banking in India 2011-12*, published by the RBI, as on 31st March 2012, there were 26 public sector banks with 67,466 branches, 20 private sector banks with 13,452 branches and 41 foreign banks with 322 branches, operating in India. In this regard, as already noted, both Ratnakar Bank and RBS have a relatively small number of branches operating in India.

7. As already stated, both Ratnakar Bank and RBS provide banking and financial services in India. After the proposed combination comes into effect, RBS would exit the credit card business, mortgage portfolio and business banking segment. Currently, Ratnakar Bank has no presence in the credit card business. It is observed that the presence of Ratnakar Bank in the mortgage and banking business in India would be insignificant after the proposed combination.

8. Considering the facts on record, the details provided in the notice given under sub-section (2) of Section 6 of the Act and the assessment of the proposed combination on the basis of the factors stated in sub-section (4) of



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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 proposed combination under sub-section (1) of Section 31 of the Act.

9. This approval is without prejudice to any other legal/statutory obligations as applicable.
10. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.
11. The Secretary is directed to communicate to the Acquirer accordingly.

(Ashok Chawla)
Chairman

(Geeta Gouri)
Member

(Anurag Goel)
Member

(M. L.Tayal)
Member

(S. L. Bunker)
Member