



**COMPETITION COMMISSION OF INDIA**

(Combination Registration No. C-2015/11/336)

16.12.2015

**Notice under sub-section (2) of Section 6 of the Competition Act, 2002 given by  
Union Bank of India**

**Order under sub-section (1) of Section 31 of the Competition Act, 2002 (“Act”)**

**CORAM:**

Mr. Ashok Chawla  
Chairperson

Mr. S. L. Bunker  
Member

Mr. Sudhir Mital  
Member

Mr. Augustine Peter  
Member

Mr. M.S. Sahoo  
Member

Mr. U. C. Nahta  
Member

Mr. G. P. Mittal  
Member

**Legal representative:** J. Sagar Associates

1. On 04.11.2015, the Competition Commission of India (“**Commission**”) received a notice given under sub-section (2) of Section 6 of the Act (“**Notice**”), by Union Bank of India (“**Acquirer**”). As per the information given in the Notice, the proposed



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combination relates to the acquisition of 49 per cent equity share capital in each of Union KBC Asset Management Company Private Limited (“**Target AMC**”) and Union KBC Trustee Company Private Limited (“**Target Trustee**”), by the Acquirer, from KBC Participations Renta S.A (“**Seller**”). For the purpose of the proposed combination, two separate share purchase agreements have been executed *inter-alia* between the Acquirer and the Seller, on 05.10.2015.

2. The proposed combination falls under Section 5(a) of the Act.
3. The Acquirer is a public sector banking institution incorporated in India. The Acquirer's business is principally divided into three main areas, namely, corporate financial services, retail financial services and agricultural financial services, along with other allied services including fee-based services like distribution of third party products for example mutual fund products and general and life insurance policies.
4. The Target Trustee is a company incorporated under the Companies Act, 1956 and acts as the trustee to the Union KBC Mutual Fund (“**Target MF**”), which is a mutual fund registered with Securities Exchange Board of India. The Target AMC is also a company incorporated under the Companies Act, 1956 and has been appointed as the asset management company of the Target MF by the Target Trustee.
5. It is noted from the information given in the Notice that the Acquirer already holds 51 per cent equity share capital in each of the Target AMC and the Target Trustee. Pursuant to the proposed combination, the Acquirer will acquire sole control of the Target AMC and the Target Trustee and consequently, the sole sponsorship, trusteeship and management of Target MF. Accordingly, it is observed that the proposed combination results in transfer from joint to sole control over the target entities and therefore, cannot avail the benefit of Item 2 of Schedule I under Regulation 4 of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011.
6. It is observed from the information given in the Notice that the Acquirer is present in the mutual fund industry only through Target AMC, Target Trustee and the Target MF.



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- Further, the Seller is also stated to be present in India only through Target AMC, Target Trustee and the Target MF and it does not have any other presence in India.
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 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.