



सत्यमेव जयते



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**COMPETITION COMMISSION OF INDIA**  
(Combination Registration No. C-2016/11/458)

29.11.2016

**Notice jointly given by State Bank of India and Bharatiya Mahila Bank Limited pursuant to an inquiry under sub-section (1) of Section 20 of the Competition Act, 2002**

**CORAM:**

Mr. S. L. Bunker  
Member

Mr. Sudhir Mittal  
Member

Mr. Augustine Peter  
Member

Mr. U. C. Nahta  
Member

Mr. G. P. Mittal  
Member

**Order under sub-section (1) of Section 31 of the Act**

1. On 24.11.2016, the Competition Commission of India (“**Commission**”) received a notice jointly given by State Bank of India (“**SBI**”) and Bharatiya Mahila Bank Limited (“**BMBL**”) (hereinafter, SBI and BMBL are together referred to as the “**Parties**”), pursuant to an inquiry initiated by the Commission under sub-section (1) of Section 20 of the Competition Act, 2002 (“**Act**”).



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2. The proposed combination involves amalgamation of BMBL with SBI. As a part of the proposed combination, SBI will issue 4.42 crore shares of Re. 1 each to Government of India (“GOI”), in lieu of GOI’s holding of 100 crore shares of Rs. 10 each in BMBL resulting into increase in GOI’s shareholding in SBI from around 61.32% to 61.45% (“**Proposed Combination**”). The board resolution approving the terms of the Proposed Combination was passed by both the Parties on 18.08.2016.
3. The Commission, vide letter dated 04.11.2016, initiated an inquiry under sub-section (1) of Section 20 of the Act, to which the Parties submitted their response vide letter dated 10.11.2016. Subsequently, the notice was filed on 24.11.2016.
4. SBI, headquartered in Mumbai, is listed on the Bombay Stock Exchange and National Stock Exchange. SBI has a network of 16784 domestic branches, 198 offices spread across 37 countries. SBI has five domestic subsidiaries and eight foreign subsidiaries/ Joint ventures. SBI is engaged in provision of (i) banking services such as deposits and advances; and (ii) other financial products and services such as insurance, mutual funds etc.
5. BMBL, incorporated as a commercial bank in 2013, is wholly owned by Government of India. It operates through 103 branches in India and does not have any presence abroad. BMBL is engaged in provision of banking services such as deposits and advances.
6. The Commission observed that the Proposed Combination envisages amalgamation of two banking companies which are engaged in provision of banking services such as deposits and loans. The Commission observed that given the low incremental market shares in various segments of the banking services and presence of other competitors, the Proposed Combination is not likely to cause appreciable adverse effect on competition in any of segments of banking services.
7. Considering the facts on record and details provided in the notice, response submitted on 10.11.2016 and assessment of the Proposed Combination on the basis of factors stated in sub-



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section (4) of Section 20 of the Act, the Commission is of the opinion that the Proposed Combination is not likely to have 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 Parties is found to be incorrect.
9. The Secretary is directed to communicate to the Parties accordingly.