



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2017/05/513)

15th June, 2017

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

CORAM:

Mr. Devender Kumar Sikri
Chairperson

Mr. S. L. Bunker
Member

Mr. Sudhir Mital
Member

Mr. Augustine Peter
Member

Mr. U. C. Nahta
Member

Mr. G. P. Mittal
Member

Legal representatives: Cyril Amarchand Mangaldas.

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

1. On 25th May, 2017, the Competition Commission of India (“**Commission**”) received a notice under sub-section (2) of Section 6 of the Competition Act, 2002 (“**Act**”) filed by Kotak Mahindra Bank Limited (“**Kotak Bank**” or “**Acquirer**”).
2. The notice has been filed pursuant to execution of share purchase agreement (“**SPA**”) between Old Mutual Plc (“**Old Mutual**”) and Kotak Bank on 27th April, 2017. The proposed combination contemplates acquisition of 26% equity share capital of Kotak Mahindra Old Mutual Life Insurance Limited (“**Kotak Insurance**” or “**Target**”) by Kotak Bank from Old Mutual (“**Proposed Combination**”).



Fair Competition
For Greater Good

3. Kotak Bank, incorporated under the Companies Act, 1956, is a banking company listed on Bombay Stock Exchange Limited and National Stock Exchange of India Ltd. It offers banking and financial services, including consumer banking, commercial banking, corporate banking and treasury.
4. Kotak Insurance, incorporated under the Companies Act, 1956, is a public limited company involved in the business of life insurance and annuity in India. The life insurance business of Kotak Insurance comprises of individual life and group insurance, including pension, annuity, group gratuity, group leave encashment, group superannuation and unit linked insurance products. Kotak Insurance is a joint venture between Old Mutual and Kotak Bank and certain other affiliates of Kotak Bank. Presently, Kotak Bank, directly and indirectly, holds 74 percent equity shares of Kotak Insurance and the remaining 26 percent equity is held by Old Mutual. Accordingly, the Proposed Combination envisages change of control of Kotak Insurance from joint control to sole control by Kotak Bank.
5. Old Mutual, incorporated under the laws of England and Wales, is engaged in the business of international investment, savings, insurance, and banking.
6. The Commission observed that the case pertains to insurance sector in India, which can be broadly sub-divided into four categories namely, life insurance, non-life insurance, standalone health insurance and re-insurance and that Kotak Bank is present in life insurance sector in India indirectly through Kotak Insurance. In the absence of any competition concerns, the Commission decided to keep the delineation of relevant product market and relevant geographic market open.
7. The Commission observed that there are no horizontal overlaps between the Acquirer and the Target as Kotak Bank is present in the life insurance sector only through Kotak Insurance in India. In respect of vertical relationship, the Commission noted that Kotak Bank procures life insurance products from Kotak Insurance as a group customer. However, the said vertical relationship between the activities of the Parties is insignificant. Given the fact that the proposed combination envisages change of control (from joint control to sole



control), there would be no change in the competition dynamics in the life insurance business sector in India.

8. Considering facts on record, details provided in the notice given under sub-section (2) of Section 6 of the Act and assessment 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.
9. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.
10. The information provided by the Acquirers is confidential at this stage, in terms of and subject to the provisions of Section 57 of the Act.
11. The Secretary is directed to communicate to the Acquirer accordingly.