



## COMPETITION COMMISSION OF INDIA

(Combination Registration No. C-2014/05/169)

19.06.2014

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

- **COFCO (Hong Kong) Limited**

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

1. On 2<sup>nd</sup> May, 2014, 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 (‘Act’) given by COFCO (Hong Kong) Limited { ‘Acquirer’ or ‘COFCO (HK)’}.
2. The proposed combination relates to acquisition of 51 percent of the equity share capital of Noble Agri Limited (‘NAL’ or ‘target’) by COFCO (HK), pursuant to the execution of a Share Sale Agreement (‘SSA’), entered into between COFCO (HK), Noble Agri International Limited (‘NAIL’) and Noble Group Limited (‘NGL’), on 2<sup>nd</sup> April 2014.
3. The proposed combination falls under Section 5(a) of the Act.
4. The Acquirer, incorporated under the laws of Hong Kong, is a wholly-owned subsidiary of China National Cereals, Oils and Foodstuffs Corp (COFCO) which is incorporated under the laws of the People’s Republic of China. COFCO and COFCO (HK) have business portfolios primarily covering agriculture commodity trading, processing, branded consumer foods, packaging products, hotels & real estate etc. In the agricultural commodities market, it has an integrated supply chain from farmer to the final consumer. The Acquirer acts as the primary platform for operating COFCO's overseas business. As stated in notice, COFCO's activities in India include the trading of non-agricultural commodities such as malt, citric and lactic acids, flavours and fragrances, footwear, aluminium products and tomato sauce.



## COMPETITION COMMISSION OF INDIA

(Combination Registration No. C-2014/05/169)

5. NAL and NAIL are subsidiaries of NGL and are the companies incorporated in Bermuda. NGL is stated to be engaged in agriculture business which *interalia* involves the origination, sourcing, warehousing, processing, distribution and marketing of a diverse range of agricultural commodities including grains, oilseeds, vegetable oil, cotton, cocoas, coffee and sugar, at a global level. In India, NAL is mainly engaged in the business of grains, oilseeds, vegetable oils including commodities such as sugar, cotton and coffee etc.
6. In terms of Regulation 14 of the Competition Commission of India (Procedure in regard to transaction of business relating to combinations) Regulations, 2011 (“**Combination Regulations**”), vide letter dated 9<sup>th</sup> May, 2014, the Acquirer was required to remove defects and furnish certain information/document(s) regarding the notice, by 15<sup>th</sup> May, 2014. The Acquirer after seeking extension of time filed its response on 26<sup>th</sup> May, 2014. The Acquirer was also required to furnish additional information/document in terms of Regulation 19 of the Combination Regulations vide letter dated 3<sup>rd</sup> June 2014 by 10<sup>th</sup> June 2014, which was duly received.
7. As per the information provided in the notice, it is observed that in India, the Acquirer is mainly engaged in trading of certain non-agri commodities whereas the target is in the business of agri-commodities. There is no horizontal overlap between COFCO and NAL in India to raise any competition concern.
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 the assessment of the proposed combination on the basis of the 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**

(Combination Registration No. **C-2014/05/169**)

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.

(Ashok Chawla)  
Chairperson

(M.L.Tayal)  
Member

(S.L. Bunker)  
Member

(Sudhir Mital)  
Member

(Augustine Peter)  
Member