

## **SUMMARY OF THE PROPOSED COMBINATION**

*In terms of Regulation 13(1A) of the Competition Commission of India (Procedure in regard to the transaction of business relating to combination) Regulations, 2011 (as amended)*

### **A. Name of the parties to the combination**

1. The parties to the combination are:

- a) International Finance Corporation ("**Acquirer / IFC**"); and
- b) Dodla Dairy Limited ("**Target / Dodla**").

The Acquirer and the Target are collectively referred to as the "Parties".

### **B. Nature and purpose of the combination**

- 2. The combination envisages an acquisition of equity shareholding in the Target by the Acquirer along with certain rights ("**Proposed Combination**").
- 3. Through the Proposed Combination, the Acquirer intends to contribute to the overall development of the dairy sector in India and create employment opportunities. The Acquirer anticipates that the Proposed Combination will contribute both to improving the food safety and food security standards in India by expanding the customers' access to quality products, especially in the dairy sector.
- 4. The Proposed Combination is being notified to the Hon'ble Competition Commission of India ("**Commission**") under Section 6(2) read with Section 5(a)(i)(A) of the Act, which prescribes the filing of a merger notification with the Hon'ble Commission, if the parties to the combination have either assets in excess of INR 2,000 crore in India or turnover in excess of INR 6,000 crore in India. The jurisdictional thresholds are met based on the assets of the Target and the Acquirer for the preceding financial year (2019-2020).

## **C. Products, services and business(es) of the parties to the combination**

### **Acquirer**

5. The Acquirer is a multilateral organization / development finance institution of which India is a member country. It was established under the Articles that have the force of law in India pursuant to the IFC Act as enacted by the Indian Parliament and published in the Gazette of India Extraordinary of 17 October 1958 to enable it to perform its functions and accord it the status, immunities and privileges as set forth in the Articles entered into between each of its member countries including India.
6. The Acquirer primarily provides financial assistance and makes investments in private enterprises, located in its member countries, including India. It also provides advisory services and asset management services. The Acquirer primarily operates its investment activities through its offices in New Delhi and Mumbai.

### **Target**

7. The Target is a public limited company incorporated in India under the Companies Act, 2013, and is engaged in the procuring, processing and selling of milk and milk products across 10 states in India from its 13 state-of-the-art processing plants in India. More particularly, the Target processes / manufactures and sells (i) non-perishable or long term consumption dairy products such as skimmed milk powder, ghee and butter; and (ii) perishable or short term consumption dairy products such as (a) milk, and (b) various milk related products such as curd, buttermilk, lassi, flavored milk, paneer, cream, and milk based desserts such as basundhi, doodh peda, milk cake, ice cream, gulab jamun, khoa, and junnu.
8. It also has a wholly owned subsidiary i.e., Orgafeed Private Limited which is engaged in the manufacturing of balanced cattle feed for the growth, maintenance and milk production of milch animals in India. The Target also holds shareholding in Global VetMed Concepts Private Limited ("**GVC**"), a joint venture with

International Media and Cultures Inc., and Indira Gandhi Centre for Advanced Research on Livestock Private Limited, which was incorporated for the purpose of developing and operating a project to provide facilities and services related to livestock research and related products. GVC is engaged conducting research in livestock, animal nutrition and process animal feed, milk and milk-based products; and business activities relating to making, processing, buying, selling, importing, exporting or otherwise deal in all kinds of food including milk food products, beverages, dietetic foods and other related products.

9. The Target is also present in Singapore through its wholly-owned subsidiary Dodla Holding Pte Ltd, Singapore, that in turn is the holding company for Lakeside Dairy Ltd in Uganda and Dodla Dairy Kenya Limited in Kenya. The Target as part of expanding its presence in emerging overseas markets, incorporated Lakeside Dairy Ltd in Uganda and Dodla Dairy Kenya Limited, Kenya. These entities currently manufacture liquid milk yoghurt with different flavors, ghee, paneer, cheese and ultra-pasteurized milk under the brand name 'Dairy Top'. Dairy Top products are marketed across Uganda and Kenya.

#### **D. Respective markets in which the parties to the combination operate**

10. It is submitted that the Proposed Combination will not cause any competition concerns or Appreciable Adverse Effect on Competition ("AAEC") in India irrespective of the manner in which the relevant market is defined. Therefore, a precise relevant market definition can be left open.

#### **E. Green Channel Notification**

11. The Acquirer does not have any controlled investments in India that are engaged in any activity relating to the production, supply, distribution, storage, sale and service or trade in products or provision of services which is at different stages or levels of the production chain in which that Target is involved. The only limited exception to the above disclosure is with respect to the Acquirer's miniscule shareholding of less than 5% in Big Basket which is accompanied by certain rights, not amounting to major control rights in Big Basket. Big Basket is an online food

and grocery supplier and has operations in India and is engaged in B2C i.e., retail sales through its e-commerce platforms.

12. It is clarified that the Target sells some of its dairy products through Big Basket. These sales from the Target are only made through Big Basket in Chennai in the state of Tamil Nadu. However, the revenue generated by the Target from such sales through Big Basket is negligible and constitutes an insignificant portion of the total revenue of the Target annually. Therefore, irrespective of the above disclosed vertical overlap between the Acquirer and the Target, it is submitted that the green channel notification route is available to the Parties, specifically in light of the insignificant nature of the overlap.

13. As such, the Proposed Combination is being notified under Regulation 5A and Schedule III of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 (as amended).

\*\*\*\*\*