



COMPETITION COMMISSION OF INDIA

(Combination Registration No. C-2014/02/154)

3.04.2014

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

- Aranda Investments Pte. Ltd and Breedens Investments Pte. Ltd

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

1. On 21st February, 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, given by Breedens Investments Pte. Ltd (hereinafter referred to as “**Breedens**”) and Aranda Investments Pte. Ltd (hereinafter referred to as “**Aranda**”) (Breedens and Aranda are hereinafter collectively referred to as “**Acquirers**”). Both Breedens and Aranda are the indirect wholly-owned subsidiaries of Temasek Holdings (Private) Limited (hereinafter referred to as “**Temasek**”). The notice was filed pursuant to the board resolution passed by the respective Board of Directors of the Acquirers on 7th February, 2014.
2. As per the notice, the Acquirers intended to increase their existing shareholding interest in the equity share capital of Olam International Limited (hereinafter referred to as “**Olam**”), which would result in an increase in the Temasek group’s existing shareholding in the equity share capital of Olam from 21.4 per cent to upto 25.5 per cent, on a fully diluted basis.



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3. In terms of Regulation 14 of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 (hereinafter referred to as “**Combination Regulations**”), vide letter dated 3rd March, 2014, the Acquirers were required to remove defects and provide certain information/document(s) regarding the notice, by 10th March, 2014. After seeking extension of time, the Acquirers filed their response on 12th March, 2014. On 19th March, 2014, a letter was again issued to the Acquirers to remove further defects and provide certain information/document(s) pertaining to the notice, latest by 26th March, 2014. The response of the Acquirers was received on 27th March, 2014, after seeking an extension of time. The Acquirers vide letter dated 27th March, 2014, informed the Commission, in terms of Regulation 16 of the Combination Regulations, that they have made certain modifications to the notice filed on 21st February, 2014 (“**modified proposed transaction**”), pursuant to a board resolution by Breedens on 13th March, 2014.
4. As informed by the Acquirers, vide the above said letter, dated 27th March, 2014, regarding the intimation of change under sub-regulation (1) of Regulation 16 of the Combination Regulations, on 14th March, 2014, Breedens, pursuant to its board resolution dated 13th March, 2014, announced its intention to make a voluntary conditional cash offer (“**Offer**”) for the remaining securities (including all shares, warrants and convertible bonds excluding options granted under the employee stock option scheme), of Olam, on the terms as set out in the announcement of the Offer, under the applicable laws in Singapore. It has been stated further that Kewalram Singapore limited (“**KSL**”), a substantial shareholder of Olam and certain members of the executive committee of



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Olam, on 13th March, 2014, entered into a consortium agreement with Breedens, *inter-alia* to act in concert in relation to the Offer. As stated by the Acquirers, KSL and certain members of the executive committee of Olam, have also given irrevocable undertakings to accept the Offer in respect of part of their existing shareholdings in Olam, representing approximately 5.6 per cent of the issued shares. Further, as stated by the Acquirers, if the Offer is declared unconditional in all respects and depending upon the level of acceptance of the Offer, Breedens' shareholding in Olam may be increased to the extent that Olam may become a subsidiary of Temasek, through Breedens. It has been further stated by the Acquirers that depending upon the number of shares that are tendered in the Offer, Temasek's indirect shareholding in Olam (together with the other major shareholder and certain key management personnel of Olam), may now go upto 100 per cent, on a fully diluted basis.

5. Under the provisions of Regulation 16 of the Combination Regulations, the Commission has taken on record the intimation of change, as provided by the Acquirer vide their letter dated 27th March, 2014.
6. The proposed combination falls under Section 5(a) of the Act.
7. Aranda and Breedens, which are investment holding companies incorporated in Singapore, are the indirect wholly owned subsidiaries of Temasek. Temasek is an investment company owned by the Singapore Government, with its subsidiaries and investment around the world. Temasek's portfolio covers a broad spectrum of industries like financial services, telecommunications, media, consumer industries and energy etc. Olam is a globally integrated company in the processing and supply of agricultural products and food ingredients with its products range which



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include edible nuts and spices, confectionery and beverage ingredients, food staples and packaged foods, industrial raw materials and commodity financial services.

8. As observed, Olam is a globally integrated player of agricultural products and food ingredients. In India, through its subsidiaries, it is *inter-alia* stated to be engaged in sourcing, processing, and merchandising of agricultural products including trading. Aranda and Breedens are investment holding companies of Temasek and are not engaged in the production/distribution/sale of any of these products. Further, as already observed, Temasek is an investment company at a global level and as stated in the notice, the Acquirers, as well as Temasek, are not engaged in any of the businesses in which Olam operates in India. Further, as stated in the notice, the business activities of certain operating portfolio companies of Temasek are related to Olam, in the ordinary course of their commercial activities.
9. 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.
10. This order shall stand revoked if, at any time, the information provided by the Acquirers is found to be incorrect.



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11. The Secretary is directed to communicate to the Acquirers accordingly.

(Ashok Chawla)
Chairperson

(Geeta Gouri)
Member

(Anurag Goel)
Member

(M. L. Tayal)
Member

(S.L. Bunker)
Member