



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2017/01/473)

13th February, 2017

Notice under Section 6 (2) of the Competition Act, 2002 given by Yanmar Investment Partnership (Singapore) Pte Ltd.

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 Representative: Chandhiok & Associates, New Delhi

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

1. On 12.01.2017, 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**”) filed by Yanmar Investment Partnership (Singapore) Pte Ltd. (“**Yanmar**”/“**Acquirer**”)



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2. The notice was filed pursuant to the execution of Share Purchase Agreement (“SPA”) dated 22.12.2016 entered into between Acquirer and Sellers. (Hereinafter Yanmar, ITL & Sellers are collectively referred to as “Parties”).
3. The proposed combination envisages Yanmar acquiring 17.75% shares of International Tractors Limited (“ITL”/“Target”) from the Blackstone Group (“Sellers”). (“Proposed Combination”). Yanmar Holdings Co. Ltd. (“Yanmar Group”) currently holds 12.61% in ITL through Yanmar Asia (Singapore) Corporation Pte. Ltd. (“Yanmar Pte”). Post-combination, Yanmar Group would hold approx. 30.36% of the share capital of ITL.
4. The Proposed Combination has been filed under sub-section 2 of Section 6 read with Section 5(a)(i)(A) of the Act.
5. Yanmar is an investment-holding vehicle incorporated for the purposes of the Proposed Combination. It does not currently have any business operations as it was recently incorporated on 18.11.2016 in Singapore. It is a subsidiary of Yanmar Group, which is engaged in the manufacture and sale of engines, tractors and other agricultural equipment. The ultimate parent company, Yanmar Holdings Co. Ltd. is a private company headquartered in Osaka, Japan. In India, Yanmar Group operates through Yanmar India Pvt. Limited(engaged in the business of industrial diesel engines), Yanmar Coromandel Agri Solutions Private Limited (engaged in the business of agri-solutions), Vetus India (engaged in the business of marine related accessories) and C&S Himoina Private Limited (engaged in the business of gensets).
6. ITL is engaged in manufacturing and sale of tractors and parts thereof, and trading of farm and agricultural equipment both in domestic and export markets. It is jointly controlled by Yanmar Group and presently forms a part of the Yanmar Group which, through Yanmar Pte, exercises control over it. ITL manufactures tractors under the Sonalika & Solis brands. Further, ITL also has limited sales from ancillary products which are comprised of gensets used for power generation, engines for tractors, gensets and multi utility vehicles, spare parts for tractors including products such as oil and lubricants etc. and agricultural equipment which include rice transplanter, cultivators, harvesters, disc ploughs, threshers and rotovators.



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7. The Commission observed that the Acquirer currently has no business operations or any investments in any other entity; there are no horizontal or vertical overlaps between the Parties.
8. The Commission noted that Yanmar Group already has joint control over ITL and through the Proposed Combination, is further increasing its ownership stake; accordingly, the Proposed Combination is unlikely to alter the competition landscape in India. Due to such nature of the Proposed Combination, the relevant market may be left open.
9. Considering the facts on record, 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 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 Parties is found to be incorrect.
11. The information provided by the parties shall be treated as confidential in terms of and subject to provisions of Section 57 of the Act.
12. The Secretary is directed to communicate to the parties accordingly.