



Competition Law



Lakshmikumaran
Sridharan
attorneys
SINCE 1985

ENFORCEMENT TRENDS

1. Asian Paints Ltd. yet again under the CCI's scanner of alleged abuse of dominance

Based on an information filed by Grasim Industries Limited ("**Grasim**") against Asian Paints Limited ("**Asian Paints**"), the Competition Commission of India ("**CCI**") has directed the Director General ("**DG**") to conduct a detailed investigation into alleged abuse of dominance by Asian Paints to restrict the entry of Grasim's 'Birla Opus Paints' in the market for decorative paints in India. According to Grasim, Asian Paints was allegedly: (i) offering monetary and non-monetary incentives to dealers in exchange for exclusivity; (ii) threatening the dealers against stocking Grasim's products (by way of threats to reduce credit limits, customer leads, and servicing orders as well as opening competing dealerships in close vicinity, etc.); (iii) requiring dealers to return or not install Grasim's tinting machines; (iv) restraining suppliers of essential raw materials from supplying to Grasim; and (v) subjecting Grasim to a fake smear campaign. The CCI also took note of Grasim's third-party market survey wherein a detailed list of abusive practices allegedly undertaken by Asian Paints had been recorded, along with a slew of other evidence submitted by Grasim, basis which the CCI took the *prima facie* view that Asian Paints appears to have abused its dominance in contravention of Section 4 of the Competition Act, 2002 ("**Competition Act**").

In a prior investigation, while the CCI had found Asian Paints to be in a position of dominance in the 'market for manufacture and sale of decorative paints by the organised sector in India', no violation on its part was found.

2. The CCI finds cartelisation by Federation of Publishers' and Booksellers' Association in India

The Federation of Publishers' and Booksellers' Association in India ("**FPBAI**") was found to have engaged in price-fixing and limiting/controlling the supply of books across India during 2020 to 2022 by way of fixation of currency conversion rates, stipulating terms of supply relating to the credit period, interest rate, restrictions on verification of prices, etc., and circulation of list of "approved" vendors (members of the FPBAI) to customers, in contravention of Section 3(3)(a) and 3(3)(b) of the Competition Act. Basing its order upon a plethora of evidence in the form of FPBAI's circulars, advisories, appeals, emails, and depositions of office bearers, the CCI imposed a penalty on FPBAI and its key office bearers totalling to INR 6.32 Lakhs. The CCI also issued several cease-and-desist directions aiming to raise competition awareness in the industry as well as explicitly directing FPBAI to withdraw of all circulars and advisories in respect of which the contraventions were found.

3. The CCI dismisses allegations against Cholamandalam MS General Insurance Company Limited and Central Bank of India

An individual had filed an information before the CCI alleging contravention of Section 3(4) and Section 4 of the Competition Act against Cholamandalam MS General Insurance Company Limited ("**CMGICL**") and Central Bank of India regarding, *inter alia*, delay in furnishing of insurance documents and eventual denial of insurance claim raised by the Informant.

Without delving into the merits of the case, the CCI dismissed the case since it was filed after the statutory limitation period of three years (from the time when the cause of action arose) and the Informant was unable to furnish adequate reasons which could demonstrate "sufficient cause" to justify condonation of delay of almost ten years. Further, the CCI also observed that CMGICL did not appear to be dominant in the market, in the absence of which the issues raised by the Informant did not raise any competition concerns and decided to close the matter.

4. The CCI dismisses allegations of bid-rigging in auctions of coal mines by several electricity producers.

The informant, an individual, had alleged cartelisation and bid-rigging by 14 opposite parties ("OPs") including entities of the RP-Sanjiv Goenka Group, Adani Group, and Aditya Birla Group, in respect of 2015 and 2023 auctions of coal blocks held by the Government of India.

The CCI formed the *prima facie* view that no case of contravention of the Competition Act was made out against any of the OPs due to the following reasons: (i) the statutory limitation period of three years had expired (with respect to the 2015 auction); (ii) no specific allegations or evidence had been placed on record (except in relation to one coal mine); (iii) the Ministry of Coal's ("MoC") rules for auctions had evolved significantly since 2015; and (iv) in its submissions to the CCI, the MoC had not expressed any concerns around potential collusion in the auctions.

MERGER CONTROL

1. CCI imposes penalty on CA Plume Investments for incorrect green channel filing and sets aside the approval as *void ab initio*

CA Plume Investments ("CA Plume") and Bequest Inc. ("Bequest") (collectively referred to as "Acquirers") had notified the CCI on 23 October 2023 of their acquisition of up to 32.23% equity stake in Quest Global Services Pte. Ltd. ("Target"), obtaining automatic approval via the Green Channel mechanism.

Thereafter, the CCI observed that (i) the activities of certain affiliates of CA Plume appeared to be exhibiting horizontal overlaps with the activities of the Target; and (ii) incomplete information in relation to vertical linkages/ overlaps was provided which was considered as insufficient to negate the possibility of overlaps. Accordingly, the CCI issued a show cause notice to the Acquirers seeking clarifications. In their response, the Acquirers submitted that after extensive due diligence along with engagement with the Target's officials, the Acquirers were of the *bona fide* belief that affiliates of the parties did in fact exhibit certain vertical or complementary interface/ overlaps and issued an unconditional apology for the inadvertent error.

Based on the response received from the Acquirers, the CCI found that some customers of the affiliates of the Acquirers and Target for some of the products and services were the same and therefore, gave rise to the possibility of such products/ services being offered as a package or bundle to such customers by the parties. Therefore, the CCI considered the transaction to exhibit complimentary overlaps and potential for vertical linkages.

Accordingly, the CCI held that the transaction did not qualify for an automatic approval under the green channel mechanism and opined that the Acquirers ought to have filed Notice in Form I, failing which the Acquirers were found to have engaged in gun-jumping and providing false/incomplete information to the CCI. In light of such findings, the CCI declared the notice and deemed approval as *void ab initio* and imposed a penalty of INR 4 Lakh on the Acquirers, apart from directing the Acquirers to file a fresh notice within 30 days of the receipt of the order.

2. The CCI approves 100% acquisition of AAM India Manufacturing Corporation Private Limited by Bharat Forge Limited with voluntary modifications.

The proposed combination involved Bharat Forge Limited (“BFL”) acquiring 100% shareholding in AAM India Manufacturing Corporation Private Limited (“AAMCPL/ Target”) which is primarily engaged in the business of manufacture and sale of axles for commercial vehicles in India. After seeking information from the competitors and customers of the parties (“Third-party Responses”), the CCI formed a *prima facie* view that the proposed combination is likely to cause AAEC in India due to extensive overlaps between the business activities of the parties.

Particularly, the CCI found that the parties (BFL’s affiliate JVs - Meritor HVS (India) Limited and Automotive Axles Limited) and the Target are the two largest (and almost equally placed) players in the market for axles for commercial vehicles (“Axles CV Market”) and its sub-segment of the market for axles for medium and heavy commercial vehicles (“Axles MHCV market”) and post-combination, the parties would have the largest market share with few other small fringe players having a market share of around 5% or less. This was also corroborated by Third-party Responses.



Thereafter, the CCI considered various parameters such as reduction in competition in the bidding market for axles, adverse impact on innovation, high switching costs (to in-house assembly or other suppliers), high entry barriers, and minimal countervailing buyer power with customers of the parties, to arrive at the conclusion that the proposed combination could lead to further concentration in the market capable of causing AAEC in India.

The parties offered voluntary modifications to alleviate the CCI's concerns which were accepted by the CCI. The parties submitted that they would ensure that the Target and BFL's Affiliate JVs will operate independently in the market through certain behavioural remedies, including the commitment to: (i) maintain separate brand identity of the Target; (ii) have independent operations and separate sales and marketing operations; (iii) ensure Target places independent bids/quotations post-closing; (iv) have an independent board and management for the Target with decision making autonomy – separate from BFL and BFL's Affiliate JVs; (v) put in place ring fencing arrangements to prevent any exchange of commercially sensitive information ("**CSI**"); and (vi) implement internal governance mechanisms to ensure compliance with the commitments. The transaction was approved pursuant to a phase II (extended) investigation.

3. The CCI approves acquisition of up to 9.99% paid-up share capital of IDFC First Bank Limited by Currant Sea Investments B.V.

The CCI granted approval to the acquisition of up to 9.99% paid-up share capital of IDFC First Bank Limited ("**IDFC/ Target**") via subscription to compulsorily convertible cumulative preference shares (on a fully diluted basis) by Currant Sea Investments B.V.. Currant Sea is an investment holding company that belongs to Warburg Pincus LLC ("**Warburg Group/ Acquirer Group**") via a chain of indirect shareholding.

Warburg Group and IDFC exhibited certain horizontal overlaps in the broad 'market for provision of loans and lending services in India' and its narrower market segments. Vertical overlaps were also identified, since the Acquirer Group is engaged in the upstream 'market for the provision of life insurance in India', and IDFC is engaged in the downstream 'market for the distribution of life insurance products in India'. However, the CCI noted that the combined market share of the parties in each of the relevant markets was in the range of 0-10%. Therefore, in light of their minuscule market presence and the unlikelihood of market foreclosure, the CCI approved the combination.

4. The CCI approves acquisition of 11.03% stake in Aakash Institute by Manipal Group

The notice was filed in relation to the acquisition of 11.03% of the total issued and paid-up share capital of Aakash Educational Services Limited from its founder, Mr. J.C Chaudhry, by Manipal Health Systems Private Limited and Manipal Education and Medical Group India Private Limited. While the parties had delineated the broad market as the 'market for provision of non-formal education in India', the CCI decided to leave precise delineation of the relevant market open as the combined market share of the parties was in the range of 0-5% only. Accordingly, since the combination was not likely to result in any appreciable adverse effect on competition ("**AAEC**") in India, the CCI approved the transaction.

5. The CCI approves American Axle's 100% acquisition of Dowlais Group plc

American Axle & Manufacturing Holdings, Inc. ("**Acquirer**") filed a notice before the CCI pursuant to execution of a co-operation agreement to acquire the entire share capital and sole control of Dowlais Group plc. ("**Target**") at a global level.

In India, the Acquirer is engaged in the supply of driveline products (such as front and rear axles, driveshafts, differential assemblies, clutch modules, balance shaft systems and disconnecting driveline technology)/drive transmission components for utility vehicles ("**UVs**") and medium & heavy commercial vehicles, and metal automotive components such as nuts for automotive components. The Target is also engaged in similar business activities as that of the Acquirer. Hence, the parties submitted that they exhibited horizontal overlaps in: (i) the market for supply of drive transmission components for UVs in India ("**Relevant Market 1**"); and (ii) market for supply of nuts for automotive components in India ("**Relevant Market 2**"). The parties also exhibited vertical linkage in: (i) market for supply of nuts for automotive components in India ("**Upstream Market**"); and (ii) market for supply of automotive components in India ("**Downstream Market**").

The CCI noted that the combined market share of the parties was: (i) in the range of 5-10% in Relevant Market 1 with an incremental market share of less than 1%; (ii) less than 1% in Relevant Market 2, the Upstream Market and the Downstream Market, along with the presence of several players in each of these markets. Accordingly, the CCI was of the view that the proposed combination is not likely to raise competition concerns in any of the relevant markets and therefore, approved the proposed combination.

APPELLATE PROCEEDINGS

1. NCLAT denies interim stay on CCI's order penalising Qube Cinema Technologies and UFO Movies.

The National Company Law Appellate Tribunal ("**NCLAT**") denied an interim stay on the CCI's order against Qube Cinema Technologies ("**Qube**") and UFO Movies. The CCI had found Qube and UFO Movies to have imposed exclusivity conditions for supply of digital film content to cinema theatre owners ("**CTOs**") through clauses in their lease agreements for digital cinema equipment ("**DCE**") required by the CTOs, in contravention of Section 3(4)(a) and 3(4)(b) of the Competition Act. Further, the CCI had also found that the parties were indulging in refusal to deal in contravention of Section 3(4)(d) of the Competition Act in the market for post-production processing ("**PPP**") services in India wherein CTOs having leased DCEs from UFO Movies and Qube are restricted from receiving supply of digital content cloned by any competing PPP service provider. Recording the said observations and certain other factors, the NCLAT opined that the balance of convenience was in favour of the CCI and therefore denied the parties' prayer of putting an interim stay on the CCI order.

ENFORCEMENT IN EUROPE

1. EC finds cartelisation by Delivery Hero and Glovo in online food delivery market

The European Commission ("EC") penalised Delivery Hero and Glovo (the two major food delivery companies in Europe) for cartelisation in the online food delivery market from 2018 to 2022. Specifically, the EC found that the cartel was facilitated through Delivery Hero's acquisition of a minority stake in Glovo in 2018 through which the companies agreed not to poach each other's employees. Further, the companies were found to be exchanging CSI and allocating different geographic markets amongst each other by either avoiding entry into markets where the other company operated or coordinating their entry into markets where none was present. This EC decision is the first relating to labour markets, dealing with anticompetitive conduct arising out of minority stake acquisition. Both companies applied for settlement. The EC imposed a penalty of EUR 329 million.





Lakshmikumaran
Sridharan
attorneys
SINCE 1985

LOCATIONS

NEW DELHI

7th Floor, Tower E,
World Trade Centre, Nauroji Nagar,
New Delhi 110029
PHONE: 011-4129 9800
E-MAIL: Lsdel@lakshmisri.com

MUMBAI

2nd Floor, CNERGY IT Park,
Old Standard Mill,
Appa Saheb Marathe Marg,
Prabhadevi,
Mumbai 400 025
PHONE: 022-3056 7800
E-MAIL: Lsbom@lakshmisri.com

CHENNAI

Door No. 27, Tank Bund Road
Nungambakkam, [Opp to Loyola
College Compound & Near Upscale
Clothing], Chennai 600034
PHONE: 044-2833 4700
E-MAIL: Lsmnds@lakshmisri.com

BENGALURU

World Trade Center,
No. 404-406, 4th Floor, South Wing,
Brigade Gateway Campus,
No. 26/1 Dr. Rajkumar Road,
Malleswaram West,
Bengaluru 560 055
PHONE: 080-4933 1800
E-MAIL: Lsblr@lakshmisri.com

HYDERABAD

'Hastigiri', 5-9-163, Chapel Road,
Opp. Methodist Church, Nampally,
Hyderabad 500 001
PHONE: 040-2323 4924
E-MAIL: Lshyd@lakshmisri.com

AHMEDABAD

B-334, SAKAR-VII,
Nehru Bridge Corner, Ashram Road,
Ahmedabad 380 009
PHONE: 079-4001 4500
E-MAIL: Lsahd@lakshmisri.com

PUNE

607-609, Nucleus,
1 Church Road, Camp
Pune 411 001
PHONE: 020-6680 1900
E-MAIL: Lspune@lakshmisri.com

KOLKATA

6A, Middleton Street,
Chhabildas Towers, 7th Floor,
Kolkata 700 071
PHONE: 033-4005 5570
E-MAIL: Lskolkata@lakshmisri.com

CHANDIGARH

SCO 31, 1st Floor,
Sector 26, Chandigarh 160019.
PHONE: 0172-492 1700
E-MAIL: Lschd@lakshmisri.com

GURUGRAM

OS2 & OS3, 5th Floor, Corporate Office
Tower, AMBIENCE Island, Sector 25-A,
Gurugram 122 001
PHONE: 0124-477 1300
E-MAIL: Lsgurgaon@lakshmisri.com

PRAYAGRAJ

3/1A/3 (opposite Auto Sales), Colvin
Road (Lohia Marg), Above Bluedart/DHL
Office, Civil Lines, Prayagraj 211001
PHONE: 0532-242 1037/242 0359
E-MAIL: Lsallahabad@lakshmisri.com

KOCHI

1st Floor, PDR Bhavan,
Palliyil Lane, Foreshore Road,
Ernakulam, Kochi 682016
PHONE: 0484-486 9018/486 7852
E-MAIL: Lskochi@lakshmisri.com

JAIPUR

2nd Floor (Front side),
Unique Destination, Tonk Road,
Near Laxmi Mandir Cinema Crossing,
Jaipur, Rajasthan 302 015
PHONE: 0141-456 1200
E-MAIL: Lsjaipur@lakshmisri.com

NAGPUR

1st Floor, HRM Design Space,
90-A, Next to Ram Mandir,
Ramnagar, Nagpur 440033
PHONE: 0712-2959038
E-MAIL: Lsnagpur@lakshmisri.com

DISCLAIMER: This publication provides general information available at the time of preparation. This publication does not constitute professional advice. LKS does not represent that the information is accurate, complete or correct. Readers of this publication are advised to seek their own professional advice before taking any course of action or decision. LKS neither accepts or assumes any responsibility or liability to any reader of this publication in respect of the information contained within it or for any decisions readers may take or decide not to or fail to take.

To unsubscribe, please mail to km@lakshmisri.com
© 2025 Lakshmikumaran & Sridharan. All rights reserved.

WWW.LAKSHMISRI.COM