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IN THIS ISSUE

Possible demand for Google to sell part of ad-tech business 1

Competition Commission of India dismisses Information filed against Shubham Consumer Durables Pvt Ltd. 1

CCI dismisses Information filed against LG Electronics India Private Limited 2

Competition Commission of India approves several deals 2

CCI raises query on the Air India – Vistara merger deal 4

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Possible demand for Google to sell part of ad-tech business

European Union antitrust regulators are considering ordering Google, a subsidiary of Alphabet Inc., to sell a portion of its advertising-technology business, according to a source familiar with the matter. The European Commission may present a formal charge sheet against Google. This action is part of ongoing efforts to reduce the tech giant's dominance in the digital advertising industry. The investigation was initiated in 2022 and focuses on Google's extensive presence in the online display advertising supply chain and raises concerns about its market power.

Competition Commission of India ("CCI") dismisses Information filed against Shubham Consumer Durables Pvt Ltd.

An Information was filed by Mr. N. Rajesh Kumar under section 19(1) (a) of the Competition Act, 2002 ('Act') against Shubham Consumer Durables Pvt Ltd. alleging, inter alia, contravention of the provisions of sections 3 and 4 of the Act. The CCI noted that the Informant was primarily aggrieved of the alleged cheating, misappropriation and fraud on the part of the Opposite Party arising out of the Franchise Agreement under which Shubham Consumer Durables Pvt Ltd. was to supply durable goods to the Informant for

retail sales for a period of 5 years. Further, it noted that the provisions of section 3(1) and 3 (3) of the Act had no applicability to the present case since section 3(3) of the Act requires two or more enterprises engaged in identical or similar trade of goods or provisions of services, which was not the case here. The allegations under section 3 (4) of the Act were purely in the realm of commercial disputes arising out of a failed business arrangement raising no competition

concerns. Further, CCI noted that the provisions of section 4 of the Act were not violated since the Opposite Party did not appear to command sufficient market power in the relevant market due to the market construct and presence of multiple players, including multinational firms offering similar services. The Information was directed to be closed in terms of the provisions of section 26 (2) of the Act.

CCI dismisses Information filed against LG Electronics India Private Limited (“LG”)

CCI has dismissed a case alleging that the LG had violated provisions of the Act. The Information was filed by Perfect Infraengineers Limited under section 19 (1) of the Act against LG alleging contravention of section 3 and 4 of the Act. The CCI noted that due to the distinctive characteristics and advantages of VRF/VRV AC systems, the relevant product market may be delineated as the “market for manufacture and sale of VRF HVAC Air Conditioners”. In relation to the relevant geographic market, CCI concluded

that the whole of India may be considered as the relevant geographic market. In this context, CCI noted that the presence of large number of players makes the market contestable and provides several options for the consumers and therefore, acts as a competitive constraint for LG. In the absence of dominance, no case of contravention of the provisions of section 4 of the Act was made out. The question of contravention of the provisions section 3 of the Act was also ruled out in view of the market construct and nature of allegations.

Competition Commission of India approves several deals

i) Concentrix-Marnix Lux deal: The CCI has approved the proposed deal between Concentrix Corporation and Marnix Lux. Concentrix Corporation, a US-based company providing customer experience services, plans to indirectly acquire Marnix Lux SA. Additionally, Marnix Lux shareholders will acquire around 22% shareholding in the combined entity.

ii) Lenskart and Mahindra & Mahindra Ltd. deal: CCI has approved two deals through the green channel route. The green channel route is used when a transaction poses no significant competition concerns, and there is an expedited approval process by CCI. The first deal involves private equity investors Dove Investments, Defat Investments Holding BV, and Infinity Partners acquiring a minority

stake in Lenskart Solutions, a company engaged in manufacturing and trading eyewear products. The second deal pertains to the World Bank Group's International Finance Corporation (IFC) acquiring securities of a newly incorporated entity of Mahindra & Mahindra Ltd, which aims to expand its last-mile electric mobility business.

iii) Manipal Group: CCI has cleared the proposed deal between Manipal Health Enterprises Pvt Ltd (MHEPL) and Manipal Education and Medical Group India Pvt Ltd (MEMG India). MHEPL operates a chain of multi-speciality hospitals under the brand name 'Manipal Hospitals,' while MEMG India is a subsidiary of RSP Trust India belonging to the Pai family group.

iv) General Atlantic's additional stake buy in Acko Tech: CCI has approved General Atlantic Singapore ACK's proposed acquisition of an additional 4.04% stake in Acko Technology and Services. General Atlantic Singapore ACK Pte (GASACK) is an investment holding company controlled by US-based private equity firm General Atlantic. The acquisition involves General Atlantic Singapore ACK acquiring the additional shareholding in Acko Technology and Services Private Limited. The CCI's approval is subject to compliance with modifications jointly furnished by the parties. Acko Technology and Services is involved in the non-life insurance business through its subsidiary Acko General Insurance Ltd.

v) Daiwa International's stake purchase in Ambit: CCI has approved Daiwa International Holdings Inc's acquisition of a stake in Ambit Pvt Ltd. Daiwa International Holdings Inc, a Japan-based intermediary management holding company, will acquire a certain shareholding in Ambit Private Limited. Ambit

Pvt Ltd is a SEBI-registered merchant banker that offers various financial services.

vi) HDFC acquisition: CCI approved mortgage lender HDFC's acquisition of a certain stake in HDFC Life Insurance Company and HDFC ERGO General Insurance Company Ltd. These approvals are crucial for the merger of HDFC into HDFC Bank, expected to be completed by the third quarter of this financial year. The Reserve Bank of India had also granted permission for HDFC Bank or HDFC to increase their shareholding in the insurance companies to over 50% before the merger's effective date. Following the merger, HDFC Bank will hold over 50% of the shareholding in both insurance companies. The merger between HDFC and HDFC Bank, valued at around USD 40 billion, is considered the largest transaction in India's corporate history and will create a significant financial services entity with a combined asset base of approximately Rs 18 lakh crore.

vii) Aditya Birla Fashion Retail's stake purchase in TCNS Clothing: CCI has approved the acquisition of a stake in TCNS Clothing Co by Aditya Birla Fashion and Retail Ltd. Aditya Birla Fashion and Retail Ltd is a listed company and part of the Aditya Birla Group, engaged in retailing branded products in the apparel, footwear, and accessories segment. The proposed combination involves Aditya Birla Fashion and Retail Ltd acquiring a 51% stake in TCNS Clothing Co Ltd, a listed company engaged in manufacturing and distribution of women's apparel.



CCI raises query on the Air India – Vistara merger deal

CCI has issued show-cause notice to Air India and Vistara, in the context of the proposed merger, wherein it has sought replies as to the reason a detailed investigation should not be initiated, based on the prima facie opinion that the proposed merger may adversely impact competition in the marketplace. CCI has the

authority to conduct a detailed probe to address concerns of potential anti-competitive practices related to the merger. The two airlines have conveyed that the proposed merger will not impact the competition adversely since the rival airlines are present on most routes that the combined entity will fly.



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