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## Competition Commission of India ("India") refuses to intervene in consumer issues

CCI has once again confirmed its view that it will not intervene in matter which involve only consumer issues. The CCI took this position in a recent case, wherein the Information was filed by one Sanjay Kumar under section 19(1)(a) of the Competition Act, 2002 ("**Act**") against Karagiri Studio alleging abuse of dominance in contravention of section 4 of the Act. Mr. Kumar had submitted that section 40 of the Geographical Indication of Goods (Registration and Protection) Act, 1999 envisages penalty for selling goods to which false GI is applied. Mr. Kumar had alleged that the Karagiri Studio had defrauded him by supplying two spurious (polyester) sarees, in place of GI tagged Kancheepuram and Paithani silk sarees and that the Karagiri Studio charged an exorbitant price for the same. The Informant had, inter alia, sought a detailed inquiry into the working of the Karagiri Studio so as to ascertain whether it indulges in any unfair trade practice. The CCI concluded that the supply of spurious products and defrauding a consumer appears to be a consumer issue and, *prima facie*, the same does not raise any competition law concern and, therefore, does not fall within the ambit of the Act. The CCI also observed that the reference made by the Informant to section 3(5)(d) of the Act and provisions of GI Act is misplaced and the same does not warrant interference by the CCI.

## CCI gives relief to DLF Gayatri Developers

CCI has refused to initiate inquiry into potentially abusive clauses in the Club Agreement of DLF Garden City Project. The Information in the present matter was filed by one of the plot owners in the DLF Garden City Project, Mr. Jitendra Bathla under section 19(1)(a) of the Act alleging abuse of dominance by DLF Gayatri Developers in contravention of the section 4 of the Act. In his Information, Mr. Bathla alleged that certain clauses of the Club Agreement are unfair and discriminatory in nature and bind the plot owners of the DLF Garden City project, including the

Informant. He also alleged that the builder had abused its dominant position by imposing certain one-sided, unfair, and discriminatory conditions in the Club Agreement in contravention of provisions of section 4 of the Act. The CCI was of the *prima facie* view that DLF Gayatri Developers does not enjoy a dominant position in the relevant market i.e. “provision of services for development and sale of residential plots in Mahabubnagar district in the State of Telangana”. Hence, the provisions of section 4 of the Act do not apply in the present case.

## CCI dismisses Information against Central Government Health Scheme (CGHS)

CCI has dismissed Information alleging bid rigging and abuse of dominant position by an officer of the CGHS. The Information has been filed by Shri Ravinder Singh, owner of Ratan Medical Store, Dehradun under section 19(1) (a) of the Act, alleging bid rigging in contravention of section 3 of the Act and abuse of dominant position in contravention of section 4 of the Act by Dr. Janaki Jangpangi, Additional Director, CGHS, Dehradun. In his Information, Mr. Singh had alleged that CGHS had accepted the bid of M/s Goel Medicos despite various irregularities, and rejected a competitive bid of Mr. Singh on vague grounds such as printer is not working, bar code reader not functioning, empty boxes

of medicines, etc. The CCI concluded that there was no allegation of bid rigging nor facts and circumstances revealed any meeting of minds by the bidders in response to the e-tender of CGHS to support alleged bid rigging in contravention of section 3(3) read with section 3 of the Act. Further, CCI concluded that the alleged conduct of the CGHS, whereby it selected one of the bidders and rejected the bid of the Informant cannot be termed as abusive within the meaning of section 4 of the Act. Moreover, there was no allegation that any of the tender conditions were one sided/ unfair or abusive. In view thereof, no case of contravention under section 4 of the Act was made out.

## CCI rejects Information against M3M India Private Limited (“M3M”)

CCI has dismissed an Information against M3M alleging abuse of dominant position in contravention of section 4 of the Act and anti-competition agreement in contravention of section 3(4) read with section 3 of the Act. The Information has been filed by Mr. Devendra Nath under section 19(1)(a) of the Act, alleging that M3M had constructed an additional 11th tower in its project, M3M Merlin, located in Sector 67, Gurugram, without taking prior consent of its residents. Mr. Nath alleged that this conduct of

M3M amounted to an abuse of dominant position in contravention of provisions of section 4 of the Act. The CCI concluded that provisions of section 3(4) of the Act have no application to the facts and circumstances of the present case, as it requires an agreement between two or more enterprises operating at different levels of the same supply chain. The CCI also concluded that there exists no *prima facie* case of contravention of the provisions of either section 4 against M3M as it did not enjoy dominant position in the relevant market.

## CCI cannot intervene in the regulatory functions of Insurance Regulatory and Development Authority of India (“IRDAI”)

Following Hon’ble Delhi High Court’s judgment in the case of *Institute of Chartered Accountants of India v. Competition Commission of India and Ors.*, CCI has refused to inquire into the regulatory functions of IRDAI. The Information has been filed by Shri Shrikant Ishwar Mendke under section 19(1)(a) of the Act against IRDAI and Indian Institute of Insurance Surveyors and Loss Assessors (“**IISLA**”) alleging contravention of the provisions of sections 3 and 4 of the Act. IRDAI is a statutory body created under the IRDAI Act, 1999 and IISLA is a body promoted by IRDAI in the discharge of its functions under section 14(2) (k) of the IRDAI Act, 1999. Further,

membership of IISLA has been made mandatory by IRDAI for grant and renewal of licenses for Surveyors and Loss Assessors. The CCI rejected the Information and concluded that such functions, being regulatory in nature, are not *per se* amenable to the jurisdiction of the CCI as held by the Hon’ble Delhi High Court in its judgment dated 02.06.2023 in the case of *Institute of Chartered Accountants of India v. Competition Commission of India and Ors.*



# Combination Approvals

TBJH Inc's proposed acquisition of complete shareholding of Toshiba Corporation. TBJH Inc. is an indirect subsidiary of private equity firm Japan Industrial Partners and the transaction was cleared under the green channel route.

IPCA Laboratories were granted an approval for acquiring 59.38% stake in Unichem Laboratories.



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