



Public Affairs Forum of India

COMPETITION LAW NEWSLETTER

MONTHLY NEWSLETTER

VOLUME 13 | JUNE 2024

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CCI upholds circular/directive issued by National Accreditation Board for Testing and Calibration Laboratories mandating entity change for increased accountability

The Competition Commission of India (“CCI”) found no grounds to interfere with National Accreditation Board for Testing and Calibration Laboratories’ (“NABL”) directive requiring accredited labs operating as sole proprietors to transition to other legal entities like One Person Company, Limited Liability Partnership, Company, Society/Trust, or Government within a specified timeframe. The matter was filed by the Association of Indian Laboratories (“AOIL”) against NABL. AOIL argued that this directive was discriminatory, favoured larger entities, and presented significant challenges for smaller entrepreneurs. Further, they alleged that many accredited labs were small businesses set up as sole proprietorships due to simplicity, and shifting to other legal forms would be economically unfeasible and operationally burdensome. CCI was of the view that the directive aimed to bolster accountability, corporate governance, and adherence to legal and financial obligations, thereby reinforcing

trust in accredited lab services. AOIL was also unable to furnish evidence of such agreements or documents supporting allegations of anti-

competitive behaviour. The CCI emphasized that the directive did not enforce any anti-competitive agreements or practices under section 3 of the Competition Act, 2013 (“Act”).

CCI rules no anti-competitive practices in “Urbana Irene” dispute, dismisses allegations

CCI has dismissed the information filed by Mr. Buchi Ramarao Valury alleging contravention of competition laws against Covai Property Centre (India) Private Limited (Covai) and other entities. The Informant had acquired a two-bedroom apartment within the “Urbana Irene” development, executed by Ozone Urbana Infra Developers Private Limited. The said information alleged that Covai Property Centre, alongside its subsidiary Covai Senior Citizen Services Private Limited, had tied-in arrangements with Ozone Urbana Infra Developers, compelling apartment owners to accept specific catering and housekeeping services. The Informant alleged that such arrangements curtail his freedom to select service providers and result in unilateral escalations in monthly maintenance charges

devoid of adequate justification. The said alleged practices constitute an abuse of dominant position and anti-competitive conduct under the purview of section 3 and 4 of the Act. Further, the Information also highlighted discrepancies in the service agreements, a lack of transparency in the allocation of costs, and the exclusion of residents from participatory decision-making processes regarding service provisions and associated charges. The CCI ascertained that there was no prima facie evidence to substantiate the allegations of contravention of competition laws. Furthermore, the CCI adjudicated that the agreements in question did not fall within the ambit of section 3(4) of the Act, as they entailed transactions between an enterprise and an end consumer, as opposed to entities operating at distinct stages within the production chain.



CCI Dismisses Abuse of Dominance Case Against Maruti Suzuki

CCI has dismissed an information alleging section 4 of Act by Maruti Suzuki India Private Limited (“Maruti Suzuki”). Harmit Ahuja, the Informant, who is a customer of Maruti Suzuki, had booked a Sports Utility Vehicle (SUV) – Jimny produced

by Maruti Suzuki and paid the booking amount upfront. However, when the demand for this particular variant decreased, Maruti Suzuki reduced the price of the car and included additional free accessories. The Informant, feeling aggrieved by the price reduction, sought

a refund from Maruti Suzuki but was denied. Subsequently, the Informant filed a complaint alleging that Maruti Suzuki had violated section 4 of the Competition Act, 2002, by abusing its dominant market position and implementing an unfair pricing strategy. The Informant argued that this new pricing strategy, which included free accessories and extended warranty, led to a decrease in the resale value of the cars that he had purchased. However, the CCI reviewed

the case and determined that considering the comparatively relatable market share of Maruti Suzuki and Mahindra & Mahindra in 2022 and 2023, Maruti Suzuki does not appear to be in a dominant position in the SUV segment of the passenger cars market in India. The CCI further noted that once a buyer purchases a product for a given price, it cannot insist on claiming benefit of any future discounts which are offered by the seller.

CCI should not intervene unless there is a clear anti-competitive conduct



CCI dismissed allegations made by Somnath Banerjee, the Informant regarding insufficient marketing and promotion of his product, Protestin, due to lack of cooperation from private hospitals, pharmaceutical companies, e-pharmacies, and other entities. The Informant filed an information alleging contravention of section 3(1) and 3(4) of the Act, by several entities including hospitals, pharmaceutical companies, e-pharmacies, associations and certain government departments/authorities. The Informant was granted a patent and the said product was marketed under the brand name 'Protestin'. It was sold in sachets by Reserca Health Care Private Ltd. The Informant has alleged that 'Protestin' is not being marketed and promoted because of non-cooperation by private hospitals, Federation of Medical and Sales Representatives, online pharmacies, MNCs, distributors, doctors, exporters, Indian Drug Manufacturers' Association, medicines shops etc. The Informant

has also stated that while the product is reasonably priced, yet the same is not being promoted due to various reasons like the Food Safety and Standards Authority of India permission, presence of other brands etc. Further, the Informant lost Rs. 2-3 Lakhs because his product was not promoted by companies/pharmacies/shops etc. The Informant has also alleged that marketing proposal have been sent to different organizations/companies but most of them did not reply back.

CCI concluded that the emails provided by the informant were merely solicitation emails rather than signs of collusion. The CCI was of the considered view that in absence of any apparent anti-competitive conduct, the decision of purchase or sale of a product and quantity thereof is driven by the commercial considerations of the market players. Therefore, it may not be desirable for the CCI to intervene in such cases where anti-competitive behaviour is not evident.



CCI dismisses allegation against Automattic Inc. regarding plugin removal from WordPress Directory

CCI dismissed an information filed by an Informant, Mr. Ravi Shankar Tiwari, a software developer alleging abuse of dominant position by Automattic Inc. – parent company of WordPress.org for delisting website plugins, created by the Informant, from the WordPress Plugin Directory. The CCI stated that the removal of the Informant’s plugin from the directory was a result of their repeated misconduct, which violated the WordPress guidelines. The CCI highlighted that in cases concerning the alleged abuse of a dominant position, the investigation initiates with identifying the pertinent market and subsequently evaluating

the dominance exercised by the accused party within that market. Moreover, the CCI reiterated that merely adhering to the forum guidelines or the agreed code of conduct by the dominant party does not qualify as an abuse of dominant position unless unfair, unreasonable, or discriminatory actions are taken against other parties involved. The CCI noted that even though WordPress.org is dominant in two relevant markets – market for provision of Content Management Software in India and market for WordPress-Specific Plugin Directories Market in India, its conduct did not appear to be unfair or discriminatory.



Combination Orders:

- CCI approved the Cintra InvIT Investments BV and Cintra IM Investments B V’s proposed acquisition of 24 per cent unitholding in IRB Infrastructure Trust and MMK Toll Road Pvt Ltd
- CCI approved the proposed combination involving acquisition by IRB Infrastructure Trust in Meerut Buduan Expressway Limited.
- CCI approved the demerger of ITC Limited’s hotel business into a new entity called ITC Hotels Ltd. ITC will maintain a 40% stake in the newly formed hotel entity, while the remaining 60% will be distributed among its shareholders.
- CCI approved that Shinhan Bank, a multinational bank based in South Korea and part of the Shinhan Financial Group, to acquire approximately 11% stake in HDFC Credila Financial Services by way of subscription to shares of HDFC Credila.
- CCI approved Sanyo Special Steel Co. Ltd.’s purchase of 15.43% stake in Sanyo Special Steel Manufacturing India Private Limited from Mitsui and Co. Ltd
- CCI approved the proposed acquisition of more than 25% of Svantra Microfin Private Limited and certain rights in Svantra Micro Housing Finance Corporation Limited by Violicina Limited.

- CCI approved the proposed combination related to the acquisition of additional shares in the Sikkim Urja Ltd (formerly Teesta Urja Ltd) by Greenko Energies Pvt Ltd (GEPL)
- CCI approved the right to nominate a director on the board of directors of the Embassy Office Parks REIT by the APAC Company XXIII Limited and Kotak Performing RE Credit Strategy Fund I. APAC Company XXIII Limited

and Kotak Performing RE Credit Strategy Fund I propose to collectively exercise their right pursuant to the recent amendments to the Securities Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, (as amended) to nominate a director on the board of directors of Target, the manager of Embassy Office Parks REIT (Embassy REIT) for the proposed combination.



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