

Competition & Antitrust - India

Latest Competition Commission activity

Contributed by [Vaish Associates Advocates](#)

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[Paper makers investigated](#)
[Tyre companies under scrutiny again](#)
[COMPAT upholds order against NSE](#)

Paper makers investigated

The Competition Commission has initiated an investigation against ITC Bhadrachalam Paper Board, Andhra Paper Mills of International Paper, Singhanian Group-promoted JK Paper Mills, West Coast Paper Mills, Ballarpur Industries, Indian Paper Manufacturers Association and several others for forming a cartel by simultaneously increasing prices. Sivakasi Master Printers Association filed the complaint. To substantiate the allegations, the complainant submitted various circulars issued by Paper Mills intimating a rise in paper prices and emails exchanged between some of the paper mills. The commission has directed the director general to investigate the matter.⁽¹⁾

Tyre companies under scrutiny again

On receiving information filed by the All India Tyre Dealers' Federation (AITDF) regarding alleged cartelisation in the tyre industry, the Competition Commission – after forming a *prima facie* opinion – referred the matter to the director general for investigation. The AITDF alleged that Apollo Tyres, MRF, Ceat, JK Tyres and Birla Tyres, under the auspices of the All India Tyre Manufacturers' Association, had engaged in parallel pricing in the profitable replacement market. It was also alleged that the tyre makers consistently increased product prices to counter sharp rises in the costs of natural rubber, but a decline in the price of the raw material did not lead to a corresponding cut in tyre prices.⁽²⁾

COMPAT upholds order against NSE

In November 2009 MCX-SX filed a complaint with the Competition Commission against the National Stock Exchange (NSE) for using its dominant position to engage in predatory pricing in the currency derivatives sector.

By way of an order dated August 5 2014, the Competition Appellate Tribunal (COMPAT) dismissed the NSE's appeal and upheld the commission's order in respect of zero pricing carried out by the NSE in the currency derivatives sector between October 2008 and August 2011, including the penalty of Rs555, along with interest.

By way of its order, COMPAT upheld the commission's finding that the NSE had contravened Section 4 of the Competition Act by abusing its dominant market position in currency derivatives trading. For the purposes of the case, the order clarified the definition of the relevant market as the entire stock exchange services market in India, as argued by MCX-SX.

The NSE has also been asked to cease and desist from predatory pricing and preventing competition. The commission's order to the NSE to maintain separate accounts for the currency derivatives sector has not been upheld, as it was unnecessary in view of the revised definition of the relevant market. COMPAT's order also reaffirms the position that dominant undertakings have a special responsibility not to distort competition in the sectors in which they operate.⁽³⁾

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Endnotes

(1) *The Economic Times*, August 29 2014.

(2) *The Business Line*, August 24 2014.

(3) *COMPAT order*, August 5 2014.

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