

Competition & Antitrust - India

Latest Competition Commission developments

Contributed by **Vaish Associates Advocates**

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COMPAT stays penalty against Adani Gas
MSEDCL investigated for market abuse
Sun Pharma-Ranbaxy deal under investigation

COMPAT stays penalty against Adani Gas

The Competition Appellate Tribunal (COMPAT) has stayed a Competition Commission order against Adani Gas, which imposed a penalty of Rs250 million and provided direction for the modification of the agreement in question. The penalty was imposed because Adani Gas had abused its dominant position by imposing unfair terms and conditions when supplying and distributing natural gas in Faridabad to the members of the Faridabad Industries Association. COMPAT directed the commission to take no coercive action against Adani Gas until it received further orders.⁽¹⁾

MSEDCL investigated for market abuse

Pursuant to information filed by Vidharbha Industries Association, the Competition Commission has directed the director general to investigate Maharashtra State Electricity Distribution Co Ltd (MSEDCL) for alleged abuse of its dominant position. The commission observed that MSEDCL purchased power from Maharashtra State Power Generation at rates that were comparatively higher than the rates offered by other entities. This translated into a higher tariff for consumers and denied open access to consumers, thereby restricting competition in the distribution market.⁽²⁾

Sun Pharma/Ranbaxy deal under investigation

For the first time, the Competition Commission has initiated a Phase II investigation into the proposed merger between Sun Pharmaceutical and Ranbaxy Laboratories. The investigation concerns Sun Pharmaceutical's proposed acquisition of Ranbaxy Laboratories from Ranbaxy's Japanese parent Daiichi Sankyo. The transaction is valued at around \$4 billion and would, if completed, create the world's fifth largest generic pharmaceutical company and India's largest. The commission is *prima facie* of the opinion that the merger may also have a considerable adverse effect on the Indian market. The commission directed the companies to publish details of the proposed merger in the prescribed format within 10 working days.⁽³⁾

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(1) *The Times of India* dated August 30 2014.

(2) Competition Commission order dated August 5 2014.

(3) *The Economic Times* dated August 27 2014.

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