



**Luthra *and* Luthra**  
LAW OFFICES INDIA

## COMPETITION LAW ALERT

JANUARY EDITION

### INSIDE

- **Competition Commission of India dismisses allegations against Air India**
- **CCI Publishes Market Study on the Mining Sector, with a focus on supply of iron ore**
- **CCI approves acquisition of GVK Power (Goindwal Sahib) Limited by Punjab State Power Corporation Limited (PSPCL)**
- **GST authorities drop INR 7 crore service tax demand against CCI**
- **CCI publishes draft Competition Commission of India (Determination of Turnover or Income) Regulations, 2023 for public consultation**
- **CCI amends the CCI General Regulations**
- **CCI initiates phase II inquiry in the Minda – Pricol transaction**
- **Supreme Court refuses to interfere with the Steel cartelization investigation**
- **CCI initiates enquiry against Global Courier/ Logistics companies for suspected cartelization**



We wish our readers a very happy and prosperous new year! In the January Edition of the Luthra and Luthra Law Offices India – ‘Competition Law Newsletter’, we cover some of the most pertinent developments in the competition law space over the last month.

### **Competition Commission of India dismisses allegations against Air India**

The Competition Commission of India (CCI) vide order dated [15.12.2023](#) in Case No. 32 of 2023 dismissed an information against Air India Limited for alleged violation of Sections 3 and 4 of the Competition Act, 2002 (the Act). The informant, a former pilot of Air India had alleged that the recent merger of Tata SIA Airlines Limited with Air India has led to an adverse impact on his career and service record as the informant’s service records have been maliciously destroyed post the transaction. On this basis, the informant alleged that Air India indulged in anti-competitive practices and abused its dominance. The CCI rejected the allegations due to insufficient evidence and noted that the allegations stem from a inter-se dispute relating to the service of the informant. Consequently, the case was closed under Section 26(2) of the Act.

### **CCI Publishes Market Study on the Mining Sector, with a focus on supply of iron ore**

The CCI on 29.12.2024 published a comprehensive market study to understand the dynamics and assess competition in the Mining Industry. Given the importance of iron ore as an essential raw material for the Indian Steel Industry, the CCI focused on iron ore and its supply chains. The CCI noted *inter alia* that “*There has been a gradual increase in the share of captive iron ore mines... large scale producers have started gaining control over the critical raw material requirements... this has created competition concerns due to differential cost structure amongst steel producers with and without captive mines*”. The CCI also analyzed the auction process adopted by Odisha Mining Corporation and observed that the process being followed increases the possibility of collusion among buyers.

A few recommendations by the CCI include imposition of suitable maximum limit on iron ore ownership, transition towards clean technology and reduction in exports of iron ore. In addition, the CCI provided a slew of recommendations specifically for Odisha, given the huge volume of iron ore and competition concerns identified.

### **CCI approves acquisition of GVK Power (Goindwal Sahib) Limited by Punjab State Power Corporation Limited (PSPCL)**

The CCI on 03.01.2024 approved the proposed acquisition of GVK Power (Goindwal Sahib) Limited (GVKGS) by Punjab Government owned Punjab State Power Corporation Limited (PSPCL). The notification before the CCI was filed pursuant to the submission of a Resolution Plan by PSPCL for the acquisition of GVKGS, which is currently undergoing a Corporate Insolvency Resolution Process. Luthra and Luthra Law Offices represented PSPCL before the CCI and secured the approval.



## **GST authorities drop INR 7 crore service tax demand against CCI**

The Central Goods and Services Tax Commissioner (**CGST Commissioner**), in an appeal filed by the CCI against the show cause notice issued by Directorate General of GST Intelligence, Delhi Zone held that the CCI is not liable to take service tax registration and hence no demand of service tax arises. The show cause notice was issued to the CCI in 2020, and it was alleged that the CCI was collecting fees from persons or enterprises that approached the competition watchdog for various purposes like acquisitions, mergers, or amalgamations; however, the CCI had not registered under the Finance Act nor discharged their service tax liability.

However, on appeal, the CGST Commissioner exonerated that CCI and held that the CCI is a body constituted by an Act of Parliament and its accounts are audited by CAG and hence the show cause notice was quashed.

## **CCI publishes draft Competition Commission of India (Determination of Turnover or Income) Regulations, 2023 for public consultation**

The CCI published the draft CCI (Determination of Turnover or Income) Regulations, 2023 and sought comments from the Public. The Regulations clarify that turnover or income should exclude indirect taxes, trade discounts and intra – group sales. It further clarifies that for the purpose of Section 27 and Section 48 of the Act, gross total income as appearing in Income Tax returns of the individual would be the relevant.

## **CCI amends the CCI General Regulations**

CCI recently published the Draft CCI (General) Amendment Regulations for public consultation. The amended Regulations provide that every Interlocutory Application filed in a case being enquired under Section 19 shall be registered and numbered. This is a welcome change and will help in tracking and referencing of the various interlocutory applications which are filed in any given case. Vide the amendment the CCI has sought to introduce regulation 1A which mandates that each interlocutory application filed before the CCI must be accompanied by proof of payment of fees as mentioned in Regulations.

## **CCI initiates Phase II inquiry in the Minda – Pricol transaction**

The CCI has initiated a phase II inquiry in the proposed acquisition by Minda Corporation Limited (Minda) of certain shareholding in Pricol Limited (Pricol). The transaction has been surrounded with controversy since the very outset, and Pricol had termed the acquisition as hostile and illegal. The notice before the CCI was filed by Minda back in May 2023 after acquiring certain shareholding in Pricol through open market purchases. The transaction has also been challenged before the Madras High Court (MHC) which is currently hearing the matter.



## **Supreme Court refuses to interfere with the steel cartelization investigation**

The Supreme Court of India, vide order dated 10.11.2023 refused to entertain an appeal against the order of the MHC wherein the MHC had refused to quash the summons issued by the CCI to Agni Steels Pvt. Ltd (Agni Steels). The matter initially began in July 2021 when the MHC had directed the CCI to conduct an investigation into the alleged cartelization by Steel Manufacturers. In pursuance of this order, the CCI began its investigation without any order under Section 26(1) of the Competition Act, conducted raids on offices of Steel companies and issued summons to various steel companies, including to Agni Steels. These summons were challenged by the Agni Steels before the MHC; however it held that the contentions raised by Agni Steels were premature and liable to be rejected. The SC reiterated the MHC's stand and dismissed the appeal.

## **CCI initiates enquiry against Global Courier/ Logistics companies for suspected cartelization**

[As per reports](#), the CCI is investigating Indian arms of logistics/ courier companies including DHL, United Parcel Service (UPS), FedEx etc. for suspected collusion related to discounts and tariff practices. The investigation was initiated based on an information filed by the Federation of Indian Publishers. The informant had alleged that the courier companies exchanged commercially sensitive information pertaining to volumes, charges, and discounts related to courier and storage services at airports for taking joint/ collective action.



*This newsletter is only for general informational purposes, and nothing in this edition of the newsletter could possibly constitute legal advice (which can only be given after being formally engaged and familiarizing ourselves with all the relevant facts). However, should you have any queries, require any assistance, or clarifications with regard to anything contained in this newsletter (or competition law in general), please feel free to contact G.R. Bhatia/ Arjun Nihal Singh, at the below mentioned coordinates. © Luthra and Luthra Law Offices India 2023. All rights reserved.*

## **KEY CONTACTS**



**G.R. BHATIA**

Partner

Email - [GBhatia@luthra.com](mailto:GBhatia@luthra.com)



**ARJUN NIHAL SINGH**

Partner Designate

Email - [ansingh@luthra.com](mailto:ansingh@luthra.com)



**MANAV GUPTA**

Associate

Email - [manavg@luthra.com](mailto:manavg@luthra.com)



**SANYAM JUNEJA**

Associate

Email - [sjuneja@luthra.com](mailto:sjuneja@luthra.com)



**TOSHIKA SONI**

Associate

Email - [tsoni@luthra.com](mailto:tsoni@luthra.com)



### **NEW DELHI**

1st and 9th Floors, Ashoka Estate,  
24 Barakhamba Road, New Delhi - 110 001  
T: +91 11 4121 5100 F: +91 11 2372 3909  
E: [delhi@luthra.com](mailto:delhi@luthra.com)



### **MUMBAI**

20th Floor, Indiabulls Finance Center,  
Tower 2 Unit A2, Elphinstone Road,  
Senapati Bapat Marg, Mumbai - 400 013  
T: +91 22 4354 7000 / +91 22 6630 3600,  
F: +91 22 6630 3700  
E: [mumbai@luthra.com](mailto:mumbai@luthra.com)



### **BENGALURU**

3rd Floor, Onyx Centre, No. 5, Museum Road,  
Bengaluru - 560 001  
T: +91 80 4112 2800 / +91 80 4165 9245  
F: +91 80 4112 2332  
E: [bengaluru@luthra.com](mailto:bengaluru@luthra.com)



### **HYDERABAD**

1st Floor, Plot No. 8-2-619/1, Road No. 11,  
Banjara Hills, Hyderabad – 500 034,  
Telangana  
T: +91 40 7969 6162  
E: [hyderabad@luthra.com](mailto:hyderabad@luthra.com)