

### **I. CCI closes investigation against Phenol importers for alleged cartelization**

The Competition Commission of India (CCI) has closed a case of alleged cartelization amongst Phenol importers in India for alleged violation of Section 3(3) of the Competition Act, 2002 (Act).

In a case filed by Indian Laminate Manufacturers Association, it was alleged that the Phenol importers artificially increased Phenol prices from INR 60/kg to INR 115/kg. between January 2016 and March 2016. It was alleged that there was no explanation for this concerted price increase as the demand was low during the period and the supply was high. Further, the prices in the international market had not increased.

The investigation noted that the Phenol supply in India is heavily dependent on imports as the local production is not enough. The investigation revealed that the market is concentrated with few manufacturers enjoying majority of the market share. Even though prices moved in a concerted manner during the period in question, there was no conclusive economic proof to establish cartelization. In view of the above, the investigation concluded that there was insufficient evidence to indicate cartel among the market players to manipulate prices of Phenol in India during the relevant period.

Having observed that there was a steep rise in the domestic Phenol prices vis-à-vis international prices, the CCI proceeded to examine whether such a rise was a result of any concerted efforts on the part of the OPs examined by the investigation. However, the investigation did not find any cogent evidence in support of the allegation that the opposite parties cartelized by fixing prices of Phenol. In this regard, the CCI noted that the indication of price parallelism per se does not amount to

collusion. Due to lack of sufficient evidence for conclusive finding of violation of Section 3(3) of the Act, the CCI closed the case.

[Case: *Indian Laminate Manufacturers Association vs Sachin Chemicals and Ors.* CCI Case No. 61 of 2016, decision dated 08 October 2020]. The full text of the order may be accessed [here](#).

### **II. CCI dismisses a case of alleged cartelization against Hindalco Industries Limited and Vedanta Limited**

The CCI has dismissed a case against Hindalco and Vedanta for alleged cartelization in the market for certain copper products. In a case filed by an anonymous informant, it was alleged that the two opposite parties have a market share of 85-90% in the market for production of refined copper.

It was alleged that the opposite parties typically issue their price circulars containing various components including additional charges to buyers almost simultaneously. It was averred that the opposite parties give discounts to their customers on the premium that has been set out in their price circulars and that these discounts are also discussed and shared between the opposite parties in order to adjust volumes and maintain parity in the market. Allegedly, all these discussions / agreements were captured on excel sheets maintained by both the opposite parties. It was also alleged that the opposite parties have also carved out certain customers amongst themselves.

The CCI noted that the Informant had not supplied any data to support the allegations in the Information. None of the sources based on which Informant made his allegations have been revealed. In light of no evidence being produced by the Informant, the CCI did not deem it necessary to order an investigation in the present case.

[Case: XYZ vs Hindalco Industries Limited & Anr. Case No. 18 of 2020, order dated 08 October 2020]. The full text of the order may be accessed [here](#).

### III. CCI dismisses a case of alleged abuse of dominance against a real estate developer in Ghaziabad, U.P.

The CCI has dismissed a case of alleged abuse of dominance against Uppal Chadha Hi-Tech Developer Pvt. Ltd. in relation to purchase of residential freehold plots in Ghaziabad, Uttar Pradesh.

In relation to the purchase of residential plots, the Informant alleged that the developer abused its dominant position through imposition of unfair and discriminatory conditions concerning allotment of plots and plot allottee arrangements in Wave City Township Project, for which registration was made in the year 2005, in contravention of Section 4 of the Act.

The CCI considered that the developer is a relatively small developer in the market for the provision of services for development and sale of plots of land for residential use in Ghaziabad. There are several developers in the market who exert competitive pressure on the present developer and as such the developer cannot be considered dominant in the relevant market. The case has accordingly been closed at the *prima-facie* level.

[Case: In re: Ms. Saumya Agrawal vs Uppal Chadha Hi-Tech Developers Pvt. Ltd & Anr. CCI Case No. 33 of 2016, decision dated 29 October 2020]. The full text of the order may be accessed [here](#).

### IV. CCI approves acquisition of general insurance business of Bharti-AXA by ICICI Lombard

The CCI has approved the demerger of entire general insurance business of Bharti AXA

General Insurance Company Limited and transfer of the same to ICICI Lombard General Insurance Company Limited. The proposed demerger is in the nature of an acquisition in consideration of issuance of share of ICICI Lombard to the sellers.

The transferor and transferee companies are general insurance companies providing general insurance products, including motor, health, fire, personal accident, etc to its customers.

The CCI has approved the said combination as per the information available on the website of the CCI. The detailed order of the CCI is yet to be made public.

[Case: Notice given by (i) ICICI Lombard General Insurance Company Limited (ICICI Lombard) & (ii) Bharti AXA General Insurance Company Limited (Bharti AXA). Notice No. C-2020/09/773.] The summary of the notice can be accessed [here](#).

*This update is intended merely as an announcement to highlight recent developments. The information is general and should not be considered or relied on as legal advice. For any further enquiries, please contact the following:*



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