



## Indian Competition Law Developments in 2019

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*Inter alia...* is a legal newsletter published each quarter by AZB & Partners for a select list of clients and colleagues. Each issue aims to provide a snapshot of the recent legal developments in certain critical areas: infrastructure, foreign direct investment, securities law, exchange control regulations, corporate law, media and entertainment, intellectual property and banking. We hope you will find the content informative and useful. If you have any questions or comments, please email us at: [editor.interalia@azbpartners.com](mailto:editor.interalia@azbpartners.com) or call AZB & Partners.



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## Indian Competition Law Developments in 2019

### Background

The year 2019 marked the completion of a decade since the behavioural provisions of the Competition Act, 2002 ('Act') came into force. Over the course of the past one year, competition law policy and enforcement in India has seen some very important developments, ranging from the conclusion of a comprehensive review process of the Act to important decisions, which among other things, dealt with long-standing questions about the ideal composition of the Competition Commission of India ('CCI'), that must adjudicate matters. This update summarises certain key developments in the Indian competition law regime over the past one year.

### The Competition Law Review Committee Recommends Changes to India's Antitrust Enforcement Framework

After consulting with various experts, the Competition Law Review Committee ('CLRC'), which was set up by the Government of India ('GoI') in 2018, issued its report to the Ministry of Corporate Affairs in July 2019 ('CLRC Report')<sup>1</sup>. CLRC has made a wide-ranging set of recommendations with the objective of aligning India's antitrust enforcement regime with new age markets and addressing legal complexities that have arisen in CCI's functioning so far. Some of the important proposals include:

- i. **Structural changes:** (a) Setting up of a governing body to perform quasi-legislative functions and drive antitrust policy in India; (b) a higher level of permissible delegation within the organization; (c) structural merger of the office of the Director General ('DG') with CCI; and (d) the introduction of a dedicated appellate bench at the National Company Law Appellate Tribunal.
- ii. **Enforcement functions:** (a) the introduction of settlement and commitment mechanisms for non-cartel conduct; (b) allowing CCI to review anti-competitive agreements that do not strictly qualify as being horizontal or vertical in nature (including 'hub and spoke' agreements, which are a type of cartel among 'spokes' that is coordinated through a vertically related 'hub'); and (c) allowing reasonable exercise of intellectual property rights as a defence against claims of abuse of dominance.
- iii. **Merger control functions:** (a) allowing the GoI to introduce alternate mergers and acquisitions notifiability thresholds, such as 'deal value thresholds' (which are aimed to be based on the value of the deal in addition to the assessment based on the party's financial statements); (b) the dilution of standstill obligations for public bids and takeovers or when otherwise derogated by CCI; (c) the introduction of 'material influence' as a standard for determination of control; (d) clarifying that shareholding must be computed on a 'fully diluted basis'; and (e) affording equal opportunity to CCI and parties to propose remedies.

The GoI is expected to soon progress a bill in the Indian Parliament that may reflect CLRC's recommendations.

### CCI Concludes its 'E-commerce' Study and Identifies certain 'Self-Regulation' Measures for the Industry

E-commerce marketplaces in India are likely to remain competitive due to increased internet penetration, competition in the telecom sector, and significant investments in the e-commerce space. Acknowledging the rapid growth and rising importance of online trade and with a view to ascertain CCI's enforcement and advocacy priorities in relation to e-commerce, CCI consulted various industry stakeholders and carried out an e-commerce market study in 2019. The study focused on e-commerce services such as: (i) consumer goods; (ii) accommodation services; and (iii) food and delivery related services. The results of the e-commerce study were published by CCI recently<sup>2</sup>. Some of CCI's non-binding observations or 'self regulation' measures include:

- i. **Platform neutrality:** Online platforms often act as both marketplaces as well as competitors in those marketplaces. To address possible incentives for such platforms to prefer their own verticals, the study observes that balancing transparency with competitive risks of over-disclosure could reduce information asymmetry and foster competition.
- ii. **Platform-to-business contract terms:** On account of the growing dependence of businesses on marketplaces, the study notes that platforms ought to protect the interests of contracting parties by adopting a negotiating framework for basic con-

<sup>1</sup> The CLRC Report is available at [http://www.mca.gov.in/Ministry/pdf/ReportCLRC\\_14082019.pdf](http://www.mca.gov.in/Ministry/pdf/ReportCLRC_14082019.pdf).

<sup>2</sup> CCI's e-commerce report is available at [https://www.cci.gov.in/sites/default/files/whats\\_newdocument/Market-study-on-e-Commerce-in-India.pdf](https://www.cci.gov.in/sites/default/files/whats_newdocument/Market-study-on-e-Commerce-in-India.pdf).

tract terms and streamlining contractual policies relating to discount, penalties and conflict resolution.

- iii. **Platform parity clauses ('PPCs'):** PPCs generally restrict sellers from offering their goods or services at prices lower than that of the enterprise's direct sales channel or other platforms. The report correctly refrains from taking a singular approach towards all PPCs and acknowledges that their assessment would vary depending on the sector involved and resultant efficiencies and foreclosure effects.
- iv. **Exclusive agreements:** As is the case with PPCs, the report acknowledges that exclusivity arrangements in the e-commerce space (e.g., single branding and preferred-seller models) would be assessed based on competitive conditions in the market and the resultant efficiencies and foreclosure effects.
- v. **Deep discounts:** The report acknowledges that deep discounts (often termed as growth-over-profit strategies) are often important for platforms to acquire customers and establish a network in their early years of operations. Their antitrust examination would typically turn on factors such as market power, nature of discounts, underlying intent or rationale of the entity offering discounts and whether the resultant consumer welfare arises from efficiencies or competitive distortion.



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## Legislative Developments

CCI also introduced some important changes to its merger control regulations in 2019, the most significant one being the introduction of the 'green channel' notifications regime, which allows for 'fast-track' approval for combinations that do not involve any kind of overlap<sup>3</sup>. This is a self-assessment regime i.e., parties are able to self-assess and declare that they (including their respective group entities) do not overlap in any manner (i.e., horizontally, vertically or in terms of complementarily goods or services) and then receive a deemed approval upon filing.

Apart from this, CCI has also: (i) modified its 'short form' (i.e., the notification form usually filed in low-market share transactions) which, among other things, now requires disclosures relating to complementary overlaps and market share information of the three preceding years (as opposed to the earlier requirement of one year); and (ii) increased its combination filing fee from ₹15 lacs (approximately US\$ 21,063) to ₹20 lacs (approximately US\$ 28,085) (for short form notification) and from ₹50 lacs (approximately US\$ 71,211) to ₹60 lacs (approximately US\$ 84,254) (for long form notifications).

## Decisional Trends

A majority of the various behavioural inquiries concluded by CCI in 2019 involved closure decisions. In fact, in the past one year, CCI has referred seven complaints for detailed investigation, which range from the investigation against Intel for alleged abusive contractual terms in relation to warranties<sup>4</sup>, against MakeMyTrip, Ibibo Group and OYO for alleged abusive practices in the online travel agencies segment<sup>5</sup> and against Maruti Suzuki for alleged anti-competitive resale price maintenance<sup>6</sup>. During this time, CCI issued eight contravention orders – a large portion of which were under CCI's leniency regime.

These trends seem to exhibit a balanced enforcement approach by CCI, which is likely to result in better prioritization of the resources at its disposal.

In another important development, the Delhi High Court ('DHC') issued a landmark decision<sup>7</sup> in April 2019 which deals with important questions about CCI's composition while performing adjudicatory functions. The decision held, among other things, that CCI must have a judicial member at all times and that the provision of the Act that allowed a 'casting vote' to CCI's chairperson was unconstitutional. DHC also directed CCI to frame guidelines to adopt the principle of 'one who hears decides' and the judicial member(s) is present in proceedings leading to adjudicatory orders. DHC's decision is presently pending challenge before the Supreme Court of India.

On the merger control front, CCI approved 71 transactions in 2019 out of which two were approved subject to certain modifications. The two combinations that were approved subject to modifications are:

- i. The acquisition of electrical and automation business of Larsen & Toubro Ltd. ('L&T') by Schneider Electric India Private Limited ('Schneider'), which was followed by a subsequent investment by MacRitchie Investments Pte. Ltd. in Schnei-

<sup>3</sup> The amendment is available at: <https://www.cci.gov.in/sites/default/files/notification/210553.pdf>. See also AZB's *inter alia* update dated August 15, 2019.

<sup>4</sup> Case No. 1 of 2019.

<sup>5</sup> Case No. 14 of 2019.

<sup>6</sup> Case No. 1 of 2019.

<sup>7</sup> Mahindra Electric Mobility Limited and Ors. v. Competition Commission of India, W.P. (c) No. 11467 of 2018.



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der<sup>8</sup>. The acquisition involved consolidation of the two closest competitors in the low voltage switchgears sector. After a detailed antitrust analysis of the concentration levels, likely portfolio and clustering effects *etc.*, CCI approved the transaction subject to certain remedies regarding the concerned products which included: (a) the acquirers reserving a part of L&T's installed capacity to offer white labelling services to third party competitors; (b) subsequently, giving these competitors access to the technology of white-labelled products to manufacture them for a certain period; and (c) removing *de facto* exclusivity from its distribution network.

- ii. The acquisition of minority stake of ANI Technologies Pvt. Ltd. ('Ola') and Ola Electric Mobility Pvt. Ltd. ('OEMPL') by Hyundai Motor Company ('Hyundai') and Kia Motors Corporation ('Kia')<sup>9</sup>. The transaction involved certain strategic cooperation in relation to Ola's fleet operation and OEMPL's e-mobility business in India (e.g., promotion of leasing of Hyundai vehicles to Ola's drivers). To address the possibility of Ola preferring its drivers who own Hyundai or Kia vehicles on its platform, the parties offered certain voluntary modifications which primarily required that the strategic collaboration among the parties would be on a non-exclusive basis and that Ola would ensure that its taxi marketplace algorithm would not discriminate any drivers based on the brand of their vehicle.

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## Behavioural Cases

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### CCI's order to investigate Flipkart and Amazon stayed by Karnataka High Court<sup>10</sup>

On January 13, 2020, CCI issued its *prima facie* order directing the DG to conduct a detailed investigation against Flipkart Internet Services Private Limited ('Flipkart') and Amazon Seller Services Private Limited ('Amazon'), and their affiliated entities (collectively, the 'Opposite Parties').

The Delhi Vyapar Mahasangh ('DVM' / 'Informant') alleged that Flipkart and Amazon had entered into various vertical anti-competitive agreements and had jointly abused their respective dominant positions. It was also alleged that the Opposite Parties had entered into various exclusive vertical anti-competitive agreements with certain 'preferred' sellers on their marketplaces for the sale of various products. This was seen across sectors, including the smartphone market, where the Opposite Parties were the platform for the exclusive launch of several smartphone models. It was further alleged that the Opposite Parties were capable of influencing price and foreclosing competition by providing deep discounts and preferential listing to such identified preferred sellers on their respective marketplaces. Lastly, it was alleged by the Informant that the Opposite Parties were able to fund such discounts for the preferred sellers on account of the funding received from various investors which resulted in high entry barriers and high capital costs for any new entrants in the market.

At the outset, CCI clarified that the contentions of the Informant regarding joint abuse of dominant position by the Opposite Parties were untenable, since allegations of abuse by joint dominance were beyond the legal framework of Section 4 of the Act.

CCI, while assessing the allegation of market power, noted that the Opposite Parties comprised the bulk of the online retail market in India and for certain categories of products, such as smartphones, constituted a pre-dominant channel of distribution. CCI assessed the evidence on record and was of the opinion that there appeared to be exclusive agreements between the Opposite Parties and smartphone manufacturers for the exclusive launch of certain mobile phones. CCI further observed that these exclusive partnerships, coupled with the preferential treatment to a few sellers and such deep discounting practices to such preferred sellers, could result in an appreciable adverse effect on competition ('AAEC'). CCI also noted that such preferred sellers which offered deep discounts were linked with the Opposite Parties on account of common investors, directors, shareholders, etc. Therefore, according to CCI, the role of funding of discounts by such Opposite Parties to their preferred sellers coupled with exclusive agreements merited investigation.

Accordingly, CCI ordered for an investigation to ascertain whether the alleged exclusive arrangements, deep-discounting and preferential listing by the Opposite Parties were used as an exclusionary tactic to foreclose competition in violation of Section 3(1) read with Section 3(4) of the Act. Amazon subsequently filed a writ petition challenging CCI's order before the Karnataka High Court ('Karnataka HC'), reportedly alleging lack of jurisdiction and CCI's order having

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<sup>8</sup> Combination Registration No. C-2018/07/586.

<sup>9</sup> Combination Registration No. C-2019/09/682.

<sup>10</sup> Case No. 40 of 2019, Order dated January 13, 2020.

been passed “without prima facie application of mind”.<sup>11</sup> On February 14, 2020, it was reported that the Karnataka HC issued an interim stay on the order passed by CCI.

### CCI Orders Detailed Investigation on Asian Paints<sup>12</sup>

On January 14, 2020, CCI issued its *prima facie* order directing the DG to conduct an investigation against Asian Paints Limited (‘Asian Paints’).

Jsw Paints Private Limited (‘Jsw Paints’) had alleged that Asian Paints abused its dominant position and entered into vertical anti-competitive agreements. It was alleged that Asian Paints approached dealers/ distributors/ retailers in the states of Karnataka, Tamil Nadu and Telangana and directed them to stop dealing with Jsw Paints, which was a new entrant in the market for decorative paints. More specifically, it was alleged that Asian Paints had issued directions to various dealers asking them to remove displays of Jsw Paints products from their retail shelves and dealer signboards, threatened dealers by not allowing certain discretionary discounts, etc., all of which created fear amongst these dealers. As a result, many of these dealers stopped dealing with Jsw Paints, despite making initial payments to them. Jsw Paints contended that access to a dealership network is essential for any new entrant in the paints market which was denied to them. Further, it was alleged that Asian Paints also pressurized entities that provide infrastructural facilities like warehouses to stop storing products of Jsw Paints and made further threats of punitive action against those enterprises who did not comply. It was alleged that such conduct of Asian Paints was aimed at preventing Jsw Paints from establishing its presence in the market of decorative paints and that all these actions amount to Asian Paints abusing its dominant position and entering into vertical anti-competitive agreements, thereby causing AAEC.

In relation to the claims of abuse of dominance, CCI, noting the features of the paints industry and the end-uses of different categories of paints, delineated the relevant market as the ‘market for manufacture and sale of decorative paints by the organised sector in India’. On the question of dominance, CCI was of the opinion that Asian Paints appeared to be *prima facie* dominant in this relevant market, with a market share of 56.33%, while the next player, i.e., Berger Paints Limited had market share of 19.19% in the FY 2018-19.

In its *prima facie* assessment of abuse, CCI was of the opinion that the alleged conduct of Asian Paints of threatening and pressurising dealers has denied access of necessary distribution channels to Jsw Paints. CCI noted that such denial of necessary distribution channels limited the availability of alternate paint products in the market thereby reducing competition in this market. Additionally, CCI noted that the agreements / conduct of Jsw Paints with its dealers were in the nature of an exclusive supply agreements and refusal to deal. Further, these restraints coupled with the threats and punitive actions taken by Asian Paints towards such dealers *prima facie* appeared to have created significant trade barriers for new entrants in the paints market which would also disallow benefit of better prices to the final consumers.

Accordingly, CCI ordered an investigation into such conduct of Asian Paints to ascertain whether such conduct amounted to an abuse of dominant position and whether such restraints imposed on dealers were anti-competitive in nature.

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## Combination Orders

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### CCI Approves the Investment by Sanaka Growth SPV I Limited of USD 44 million in Edelweiss Global Investment Advisory Services<sup>13</sup>

On December 13, 2019, CCI approved the investment by Sanaka Growth SPV I Limited (‘Sanaka’) in Edelweiss Securities Limited (‘ESL’) and Edelweiss Global Investment Advisory business (including its subsidiaries) (‘EGIA Business’) (together, ‘Target Entities’). The Target Entities are a part of the Edelweiss Group, which operates in the financial services sector and provides services such as corporate credit, wealth management, asset management, asset reconstruction and stock broking.

CCI noted that there were no existing horizontal overlaps and vertical linkages between the business activities of Sanaka and the Target entities and accordingly approved the investment.



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<sup>11</sup> This article is available at: <https://tech.economictimes.indiatimes.com/news/internet/karnataka-high-court-grants-stay-on-ccis-probe-for-eight-weeks/74136975>.

<sup>12</sup> Case No. 36 of 2019, Order dated January 14, 2020.

<sup>13</sup> Combination Registration No. C-2019/11/705.





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### **CCI Approves Acquisition of Shares by Adani Properties Private Limited in Mumbai International Airport Limited<sup>14</sup>**

On November 14, 2019, CCI approved the acquisition of 23.5% equity share capital by Adani Properties Private Limited ('APPL') in Mumbai International Airport Limited ('Target') from Bid Services Division (Mauritius Limited) and ACSA Global Limited. (APPL is part of the Adani Group).

On the issue of horizontal overlaps, CCI noted that Adani Group (through its entity Adani Enterprises Limited) had previously won bids conducted by the GoI to operate, maintain and develop six airports – Ahmedabad, Lucknow, Mangalore, Jaipur, Guwahati and Trivandrum. Accordingly, there was a horizontal overlap between the Adani Group and the Target in the 'market for the development, operation and maintenance of airports'. CCI however noted that such horizontal overlaps would not raise any competition concerns as all airports where Adani Group had stake did not operate in the vicinity of the airport operated and managed by the Target.

On the issue of vertical overlaps, CCI noted that there were no vertical overlaps between the Adani Group and the Target.

Accordingly, considering that the horizontal overlaps did not raise any competition concerns and noting the absence of any vertical relationship, CCI approved this acquisition.

### **CCI Approves Acquisition of Shares by Honey Wheat Investment Limited in SBI General Insurance Company Limited<sup>15</sup>**

On December 13, 2019, CCI approved the acquisition by Honey Wheat Investment Limited ('Honey Wheat') of 9.99% equity share capital of SBI General Insurance Company Limited ('Target'). Honey Wheat is an indirectly wholly owned subsidiary of certain private equity funds managed by Warburg Pincus LLC ('WP'). WP, Honey Wheat and the Target are together referred to as 'Parties'.

On the issue of horizontal overlaps, CCI noted that there were no horizontal overlaps between WP (including through its portfolio investments) and the Target.

On the issue of vertical overlaps, CCI noted that WP had investments in entities that were engaged in various banking and financial services such as AU Small Bank Finance Limited ('AU Bank'), Avanse Financial Services Limited ('Avanse') and IDFC First Bank Limited ('IDFC') which were, *inter alia*, engaged in the distribution of general insurance products. Accordingly, the Target was a potential supplier of such general insurance products to these banks / financial institutions. CCI however noted that the Target did not have a significant presence in the business of general insurance in India. CCI further observed that AU Bank, Avanse and IDFC did not have a significant presence in the market for distribution of general insurance services.

Additionally, CCI noted that WP had a portfolio investment in Computer Age Management Services Private Limited which is engaged in the insurance repository services through its wholly owned subsidiary CAMS Insurance Repository Services Limited, and as a part of its business, offers certain outsourcing services to insurance companies. However, CCI noted that the market for outsourcing services is at a nascent stage and these services are only required for the purchase of insurance policies through the electronic route (which forms an insignificant part of the overall policies in India). Additionally, only a small portion of the electronically sold policies are for general insurance, where the Target has its presence. Therefore, CCI was of the opinion that such vertical linkages would not lead to any AAEC.

Accordingly, CCI approved the acquisition noting the absence of horizontal overlaps and on account of AAEC through the vertical linkages.

### **CCI Approves Acquisition of Shares by Mitsubishi Heavy Industries Limited in Primetals Technologies Limited<sup>16</sup>**

On November 28, 2019, CCI approved the transaction notified by Mitsubishi Heavy Industries Limited ('MHI') and Mitsubishi-Hitachi Metal Machinery Inc. ('MHMM') which consisted of the following inter-connected steps:

- i. MHI (through MHMM) will acquire 49% equity shareholding in Primetals Technologies Limited ('PT'), from Siemens Aktiengesellschaft ('Seller'). PT is a joint venture between the Seller (49%) and MHMM (51%). Post the transaction, MHMM would hold 100% equity shareholding in PT with the Seller exiting this joint venture ('Transaction 1').
- ii. As an inter-connected step and prior to Transaction 1, MHMM, (which is owned by MHI (56%) Hitachi Limited (34%) and IHI Corporation (10%)) would issue new shares to MHI whereby MHI would increase its shareholding in MHMM to 77% from

<sup>14</sup> Combination Registration No. C-2019/10/696.

<sup>15</sup> Combination Registration No. C-2019/11/701.

<sup>16</sup> Combination Registration No. C-2019/10/700.

56%. Additionally, as a part of this step, Hitachi's shareholding in MHMM would reduce from 34% to 18% and IHI's shareholding would reduce from 10% to around 5% ('**Transaction 2**'). (collectively "**Transactions**").

CCI noted that as a result of the Transactions, the Seller is exiting and MHI (through MHMM) is increasing its stake in PT. Accordingly, the horizontal overlaps prior to and subsequent to the transaction would continue to remain the same. Further, in terms of vertical linkages, CCI noted that MHI is involved in the manufacture and supply of 'Industrial Pumps' and 'Induction Heaters' which are required by PT in mechanical metal plant building. In this regard, CCI observed that this vertical relationship is pre-existing and would not change post the Transactions. Additionally, CCI also noted that the market share of PT in the downstream market of mechanical level is not significant enough to raise any concerns of foreclosure. Based on the above, CCI approved the Transactions.

### **CCI Approves Acquisition of Jaypee Infratech Limited by NBCC (India) Limited<sup>17</sup>**

On December 16, 2019, CCI approved the acquisition of Jaypee Infratech Limited ('**Target**') by NBCC (India) Limited ('**NBCC**'). NBCC's acquisition in the Target was pursuant to a resolution plan submitted in the corporate resolution process under the (Indian) Insolvency and Bankruptcy Code, 2016.

CCI noted that NBCC (which is engaged in the business of construction activities) had been appointed by the Hon'ble Supreme Court of India to complete all the construction activities of the Amrapali Group in Noida and Greater Noida. Accordingly, the scope of activities of NBCC was only with respect to construction activities and NBCC would in no manner be involved in the sale of any residential / commercial activity to any person. Additionally, CCI noted that NBCC does not have any presence in any business activities in the geographical regions in which the Target is present.

Accordingly, in the absence of any significant horizontal and vertical overlaps, CCI approved this acquisition.

### **CCI Approves Acquisition of Shares in Ecom Express Private Limited by CDC Group PLC<sup>18</sup>**

On November 14, 2019, CCI approved the acquisition of 7.35% equity in Ecom Express Private Limited ('**Target**') by CDC Group PLC ('**CDC**').

CCI noted that there were no horizontal overlaps between the activities of CDC and the Target. While assessing the vertical linkages, CCI noted that CDC has an investment in an entity which was present in the grocery business and which had previously availed the hyperlocal delivery services provided by the Target. Additionally, CCI noted that three other portfolio companies of CDC were customers of the Target for some of its ancillary businesses. However, it was noted that the value of these businesses offered to the portfolio companies of CDC was too insignificant to raise any competition concerns and CCI accordingly approved the acquisition.

### **CCI Approves Acquisition of Shares in Adani Gas Limited by Total Holdings sas<sup>19</sup>**

On November 28, CCI approved the acquisition of 37.40% of the paid-up share capital and joint control of Adani Gas Limited ('**Target**') by Total Holdings ('**Total**').

CCI noted that Total and the Target were present in different segments of the overall supply chain of the natural gas sector. CCI further observed that the natural gas sector was vertically linked between various entities and involved various supply arrangements before reaching the final end consumer. Accordingly, CCI identified two markets, i.e., (i) the wholesale supply of natural gas in India ('**Upstream Market**'); and (ii) downstream retail supply of natural gas in India ('**Downstream Market**'). In the Upstream Market, CCI noted that the combined market share of Total and the Target was too insignificant to raise any competition concerns. CCI further noted that any vertical linkage between the Target (through its presence in the Downstream Market) and Total (through its presence in the Upstream Market) would not raise any competition concerns on account of competitive constraints offered by various players in each of the markets. Accordingly, CCI approved this acquisition.

### **CCI Approves the Merger between the Asset Management Businesses of BNP Paribas and Bank of Baroda<sup>20</sup>**

On November 14, 2019, CCI approved the merger of the asset management business of BNP Paribas and Bank of Baroda which was carried through the following steps:

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<sup>17</sup> Combination Registration No. C-2019/12/711.

<sup>18</sup> Combination Registration No. C-2019/10/697.

<sup>19</sup> Combination Registration No. C-2019/10/694.

<sup>20</sup> Combination Registration No. C-2019/10/698.



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- i. A merger between Baroda Asset Management India Limited (**'BOB AMC'**) and BNP Paribas Asset Management India Private Limited (**'BNP AMC'**) such that BNP AMC would remain as the surviving entity.
- ii. A merger between BNP Paribas India Private Limited (**'BNP TC'**) and Baroda Trustee India Limited (**'BOB TC'**) such that BOB TC would remain as the surviving entity.

On the issue of horizontal overlaps, CCI noted that there existed a horizontal overlap between BNP Paribas and Bank of Baroda in the provision of mutual fund business and portfolio management services business. CCI however observed that the combined and incremental market share in both these markets was not significant enough to raise any competition concerns.

On the issue of vertical overlaps, CCI noted that there existed a vertical relationship between the mutual fund business of BOB and the mutual fund distribution activities carried out by BNP Paribas (through its subsidiary Sharekhan Limited). CCI however observed that the market shares of Sharekhan Limited and BOB in each of their markets is not significant. Further, the overall mutual funds segment is characterized by the presence of various players who would continue to impose competition constraints.

### **CCI Grants Approval under the 'Green Channel' mechanism<sup>21</sup> for ROC Star Investment Trust's Acquisition of Shares in Star Health and Allied Insurance Limited<sup>22</sup>**

The notification relates to the acquisition of up to 2.39% of the equity share capital of Star Health and Allied Insurance Company Limited (**'Star Health'**) by ROC Star Investment Trust (**'ROC'**) from SnowDrop Capital PTE Limited. ROC is an investment vehicle managed by ROC Capital Pty Limited, an Australian investment management company. Star Health is engaged in the business of health insurance and also deals in personal accident, mediclaim and overseas travel insurance.

<sup>21</sup> CCI, by way of a gazette notification dated August 13, 2019 (**'Amendment'**), introduced certain amendments to its merger control regulations, i.e., the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Amendment Regulations, 2011. The Amendment has been in effect from 15 August 2019 and allows transactions that don't involve any form of 'overlaps' in the activities of the parties (vertical, horizontal or 'complementary') to be notified to CCI under a 'Green Channel'. Such transactions will be deemed approved on receiving an acknowledgment on filing; and parties will no longer have to wait for CCI's approval before giving effect to them.

<sup>22</sup> Combination Registration No. C-2020/01/716.





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VC Circle, 2018, 2017, 2016 & 2015



Law Firm of the Year | Best Overall Law Firm of the Year

India Business Law Journal, 2019



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Ranked No. 1

by Deal Volume and Deal Count in the India

M&A Announced Deals League Table

Bloomberg's Global M&A–Legal rankings, 2019



Ranked No. 2

by Deal Count in the League Table

Mergermarket's Global and Regional M&A–League Tables of Legal Advisors, 2019



Ranked No. 1

for PE and M&A Rankings by Deal Count and Deal Value

Venture Intelligence League Tables of Legal Advisors, Jan – Jul, 2019



Client Service Law Firm of the Year

Chambers Asia-Pacific Awards, 2017

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