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Market Matters

The Antitrust Brief

JULY | 2025

CCI fines CA Plume and Bequest for erroneous Green Channel filing

On June 26, 2025, the Competition Commission of India (**CCI**) imposed a penalty of INR 0.4 million (~USD 4.6 thousand) on CA Plume Investments (**CA Plume**) and Bequest Inc. (**Bequest**) (collectively, the **Acquirers**) for inaccurately availing the benefit of the Green Channel route under the Competition Act, 2002 (**Competition Act**) and directed filing of a fresh notice. An acquirer can take advantage of the fast-track option of Green Channel when there are no horizontal overlaps or vertical or complementary linkages, enabling the parties to close the transaction immediately upon filing with the CCI.

Background

A Green Channel notice was filed for acquisition of 23.6% and 9.17% equity stake in Quest Global Services Pte. Ltd. (**Target**) by CA Plume and Bequest, respectively.

Acquirers

CA Plume is an investment vehicle under the ultimate ownership of Carlyle Group Inc., a global investment firm and Bequest is a holding entity with no business operations in India.

Target

The Target is engaged in providing engineering and research & development (**ER&D**) services for the design and development of products such as aircraft, aircraft engines, automobiles, gas turbines, and X-ray machines.

CCI's findings

On a review of the notice and further investigation, the CCI found that:

1

The ER&D services offered by the Target, although not “essential” inputs, are specialised and may be used by the Acquirers’ affiliates in their ordinary course of business. Therefore, potential vertical linkages could not be ruled out.

2

Green Channel eligibility requires the absence of horizontal, vertical, or complementary linkages between the parties or their affiliates. The Acquirers filed under the Green Channel despite being ineligible.

The order can be accessed [here](#).

Beyond the brief: The ‘Green Channel Route’ (**GCR**) was introduced in August 2019 as an automatic system of deemed approval for certain combinations that do not exhibit any horizontal overlaps or vertical or complementary linkages. Since its introduction, approximately 126 combinations have been notified under the GCR, and imposed penalty only in 3 cases (including the penalty on CA Plume and Bequest) for inaccurate reporting.

Although Section 43A of the Competition Act empowers the CCI to impose a penalty which may extend to 1% of the total turnover or the total assets, whichever is higher, of such a combination, the CCI has imposed a nominal penalty on a range of INR 0.4-1 million (~USD 4.6 thousand- USD 11.6 thousand) for wrongly availing the benefit of the GCR. Further, Section 44 of the Competition Act empowers the CCI to impose a penalty of not less than INR 5 million (~ USD 58 thousand), if any person, being a party to a combination, amongst others, makes a statement which is false in any material particular, or knowing it to be false. The CCI has previously imposed a penalty of INR 5 million (~ USD 58 thousand) under Section 44 in 2 orders related to inaccurate filing under GCR.

CCI directs an investigation against Asian Paints

On July 1, 2025, the CCI issued an order directing investigation against Asian Paints Limited (**Asian Paints**) for allegedly abusing its dominant position in the '*market for manufacture and sale of decorative paints in the organized sector in India*'. The information was filed by Birla Opus Paints (**Birla Opus**), which is part of the Aditya Birla conglomerate and entered the organized decorative paints market in February 2024.

Key allegations

- ➔ Offering discriminatory incentives and discounts to its dealers in exchange for exclusivity;
- ➔ Enforcing exclusivity by threatening dealers against stocking Birla Opus' paints, by using coercive methods such as reducing credit limits, recalling benefits, enhancing sale targets, reducing customer leads, reduction in product offerings, low priority for servicing orders, etc.;
- ➔ Directing its dealers to return/ not using the tinting machines supplied by Birla Opus;
- ➔ Restraining third parties, including suppliers of essential raw materials, warehousing landlords, transporters, and C&F agents from dealing with Birla Opus.

CCI's prima facie opinion

- 1 While assessing Asian Paints' market position, the CCI considered a reference made by Birla Opus to CCI's finding of Asian Paints' dominance in a previous inquiry¹. Considering the current market dynamics the CCI found that Asian Paints was still dominant in 2024–25.
- 2 Asian Paints was imposing unfair conditions and supplementary obligations on its dealers by way of coercing them into enforcing exclusivity.
- 3 Asian Paints was indulging in a discriminatory practice of providing incentives lacking a direct linkage to performance/ sales of a dealer.
- 4 Asian Paints was foreclosing input for Birla Opus by restricting third parties.

Notably, an oral hearing was requested by Asian Paints, but the CCI found no reason to afford such an opportunity at the *prima facie* stage.

Interestingly, the CCI, in this case, modified its order under Section 26(1) of the Competition Act, and the order has been challenged before the Bombay High Court, wherein, based on press reports, Asian Paints seems to have alleged that the order was modified by the CCI without following due procedure. It is also contended that the earlier version of the order caused reputational damage to Asian Paints.

The order of the CCI can be accessed [here](#).

¹ JSW Paints Pvt. Ltd. and Another v. Asian Paints Ltd. (Case Nos. 36 of 2019 and 17 of 2021).

Beyond the brief: Over the past three years, the CCI has initiated 29 investigations under Section 26(1) of the Competition Act, but in only 2 instances parties were given an opportunity to present oral arguments. Notably, the Supreme Court in *CCI v. SAIL* clarified that there is no statutory obligation on the CCI to issue a notice or grant a hearing at the stage of forming an opinion under Section 26(1) of the Competition Act, nor can any party claim such a right. This is because at the stage of forming a prima facie opinion, the CCI's role is in the nature of an inquisitorial and regulatory function and not an adjudicatory function.

CCI imposes penalty on FPBAI for price fixing and restricting supply

On July 1, 2025, the CCI passed a final order penalizing the Federation of Publishers' and Booksellers' Association of India (**FPBAI**) of ~ INR 0.26 million (~USD 3 thousand) and imposed a separate monetary penalty of ~INR 0.37 million (~USD 4.3 thousand) on former FPBAI office-bearers for fixing prices and restricting the supply of books and journals in India. The CCI also issued cease-and-desist directions and directed submission of a compliance report upon enforcing the said directions.

Background

An information was filed by the Managing Director of a publishing company, also a member of the FPBAI, against 25 parties, including the FPBAI itself. The complaint alleged cartelization, price fixing, and restriction of the supply of books and journals by the association, in contravention of Section 3 of the Competition Act.

On 23 December 2021, the CCI passed a prima facie order and directed the Director General (**DG**) to initiate an investigation.

CCI's findings

The CCI agreed with the DG's findings that the FPBAI engaged in anti-competitive conduct and observed the following:

1

Exchange Rate Fixing & Supply Restrictions: The monthly exchange rates prescribed by Good Offices Committee (**GOC**), a committee of FPBAI, and the circulars issued by GOC, which included commercial terms and conditions, although argued as indicative, were widely followed and effectively mandatory for members. This practice led to inflated prices and amounted to price fixing. The circulars effectively removed the liberty of parties to independently negotiate supply terms, thereby limiting market flexibility and innovation.

2

Discount Capping: Despite a previous CCI order in 2021 proscribing discount caps, FPBAI failed to withdraw outdated circulars or issue clarifications to its members, which led to limiting discounts below market rates.

3

Membership Advisories: FPBAI's advisories to libraries and institutions to prefer FPBAI affiliated suppliers created *de facto* restrictions on market access. Even though no new advisories were issued post CCI's 2021 order directing an investigation into the matter, the continued effect of previous directives contributed to exclusionary practices.

4

Liability of Office-Bearers: FPBAI's President(s) and Secretary were instrumental in formulating and enforcing the anti-competitive policies. Accordingly, these individuals were found liable under Section 48 of the Competition Act.

The order can be accessed [here](#).

CCI conditionally approves acquisition of AAM India axle business by Bharat Forge

On April 22, 2025, the CCI approved the proposed acquisition of AAM India Manufacturing Corporation Pvt Ltd (**AAMCPL/Target**) by Bharat Forge Limited (**BFL/ Acquirer**), subject to the implementation of certain voluntary behavioral commitments. In July, 2025, the CCI published a detailed order regarding the approval.

Background

BFL, a leading auto components manufacturer, operates in the commercial vehicle (**CV**) axle market through its joint ventures (**JV**): Meritor HVS (India) Limited (**MHVSIL**) and Automotive Axles Limited (**AAL**). AAMCPL, a subsidiary of American Axle & Manufacturing Holdings, Inc., is also active in the CV axle market in India. BFL sought to acquire 100% shareholding in AAMCPL's, including its CV axle operations in Pune and Chennai and its Pune Engineering and Development Center, effectively resulting in AAMCPL's exit from the Indian market (**Proposed Transaction**).

CCI's concerns

In its *prima facie* opinion, the CCI was of the view that the Proposed Transaction would:

1

Reduce/ eliminate the competition due to high concentration in the Axle CV Market, with AAMCPL and BFL's JV holding a combined share of up to 65% in the medium and heavy commercial vehicles segment;

2

Reduce the number of credible competitors in axle bidding markets, given the closeness of competition between BFL's JV and the Target;

3

Weaken countervailing buyer power of original equipment manufacturers (OEMs) by reducing viable alternatives, despite their theoretical ability to switch to in-house supply or other original equipment suppliers, but is limited by high switching costs, long timelines, and quality/customization

4

challenges; and
Deter new entry due to high capital cost and scale requirements, the CCI noted that considering the recent entries in the market, sufficiency of the entrant in terms of size is also a determining factor to analyze whether it would

Voluntary Modifications/ Behavioural Commitments

The CCI accepted the following behavioral commitments proposed by the Acquirer for a period of 7 years:

Behavioural commitments concerning AAMCPL

Operational independence. AAMCPL will not share board members, management team members, or employees with the BFL's JV. It would operate independently and participate in the request for proposals separately.

Safeguards for sensitive business information (SBI). BFL will restrict AAMCPL's SBI to authorized personnel, adopt IT safeguards, appoint a Competition Compliance Officer, conduct regular competition law training, and establish a whistleblower mechanism.

Behavioural commitments concerning BFL's JVs

Nomination and appointment restrictions. BFL committed not to appoint anyone to AAL's management, to appoint only non-executive directors to MHVSIL's board, and to refrain from involvement in management or strategic decision-making of its JVs.

Safeguards for SBI. Individuals nominated or appointed by BFL to the board of its two JVs (i.e., MHVSIL and AAL) will not access any sensitive SBI of these JVs, unless such information is anonymized, aggregated, or appropriately redacted.

Separate brand identity and overriding existing rights. BFL's JVs will maintain a separate and distinct brand identity when marketing or selling products. The commitments will override any rights that BFL may have under contractual arrangements or under the charter documents of its JVs.

The order can be accessed [here](#).

Beyond the brief: Since its inception, 1252 combinations have been filed before the CCI, of which 32 were approved with remedies and only 9 of these involved remedies imposed during the Phase II of the merger review process. The CCI's approval in the *Bharat Forge* matter marks the first conditional approval following a Phase II review in the last six years. A Phase II review is triggered when the CCI's *prima facie* views on likely appreciable adverse effect on competition (**AAEC**) arising from a proposed transaction is not addressed to CCI's satisfaction, in response to the SCN issued by the CCI.

Under the Competition Act, once the CCI receives responses to an SCN, if the CCI's concerns on the impact of the transaction subsist, it may either direct an investigation by the Director General or seek public comments on the transaction. In its *Bharat Forge* approval, the CCI followed the latter avenue and approved the transaction subsequent to a stakeholder consultation. Readers will recall that the merger review process under the Competition Act was considered by the Supreme Court in *Independent Sugar Corporation Ltd. v Girish Sriram Juneja & Ors.*, where it was interpreted that an investigation by the DG subsequent to issuance of a SCN by the CCI was mandatory. However, subsequently, through a review, the Supreme Court clarified that while issuing an SCN to all the parties is mandatory, it is up to the CCI's discretion whether it prefers an investigation by DG or seeks stakeholder consultation, if it is not satisfied with parties' explanation on likely AAEC in response to a SCN.

IN THE NEWS

➔ In March 2024, the Ministry of Corporate Affairs released the Committee on Digital Competition Law report, along with a draft Digital Competition Bill (**DCB**) for public consultation. As of July 2025, the DCB is not yet enacted.

Recently on July 22, a question was raised for the Minister of State for Corporate Affairs for an update on the DCB in the monsoon session of the Parliament. The Minister stated that the government is considering a market study to build an evidence-based foundation for ex-ante regulations. He also noted that comments from the Ministry of Electronics and Information Technology are awaited, which had already held stakeholder consultations on the bill.

➔ In November, 2024, the CCI directed an investigation against certain Google entities based on allegations by WinZo -an online digital gaming platform, with respect to Google's Play Store and advertisement policies for Real Money Gaming (**RMG**) apps. The CCI had observed that per Google's pilot project, only certain RMG apps were allowed on the Play Store for a prolonged duration and the pilot appeared to result in a competitive disadvantage to other app developers.

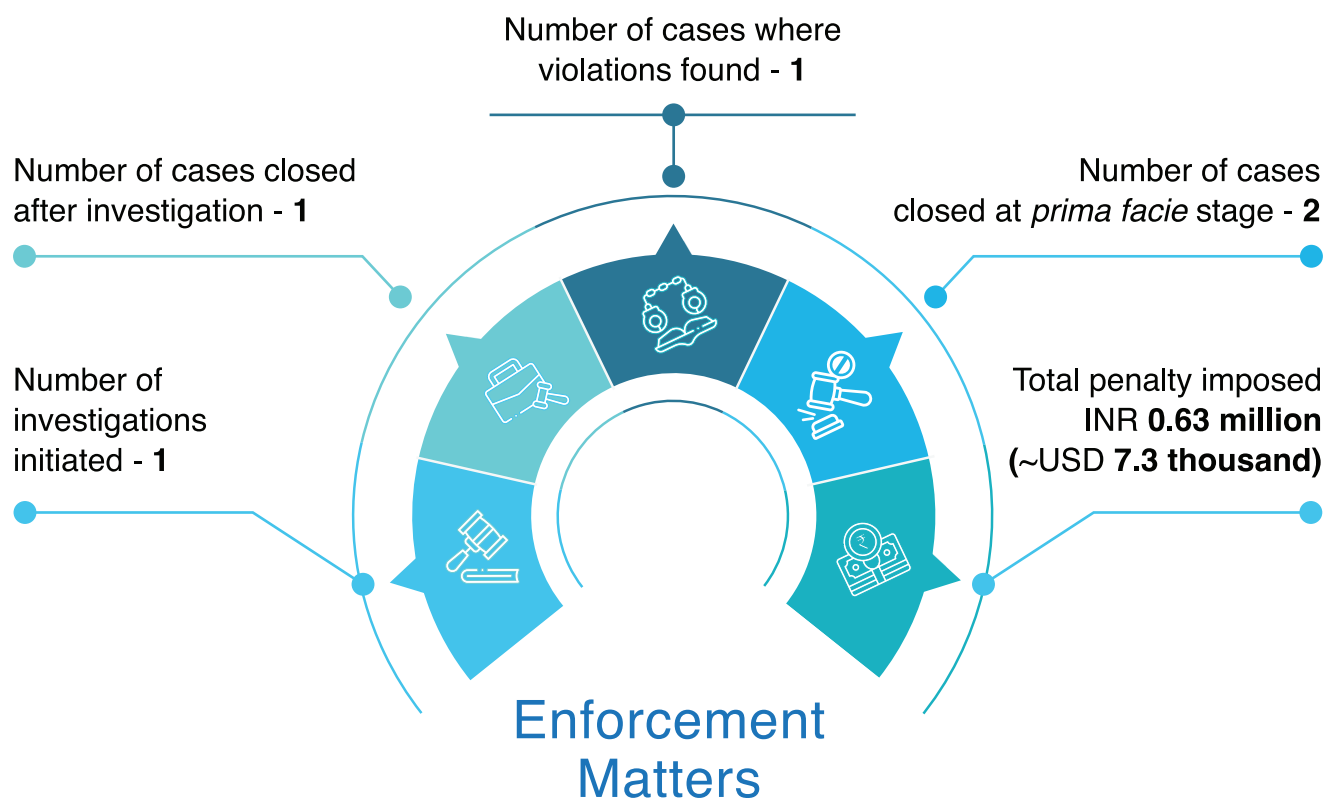
During the pendency of investigation, Google has now filed a commitment application with the CCI. In its commitment offer, Google proposes to end its pilot program and allow all legally

permissible RMGs to be listed and advertised, provided they are certified by a recognized third party. The changes also extend to advertising policies, aiming to eliminate discriminatory treatment and ensure platform neutrality. Once approved by the CCI, these commitments will be implemented within 120–150 days. On July 30 the CCI published a notice calling for public comments marking a crucial moment in the regulation of app platform dominance and digital market fairness.

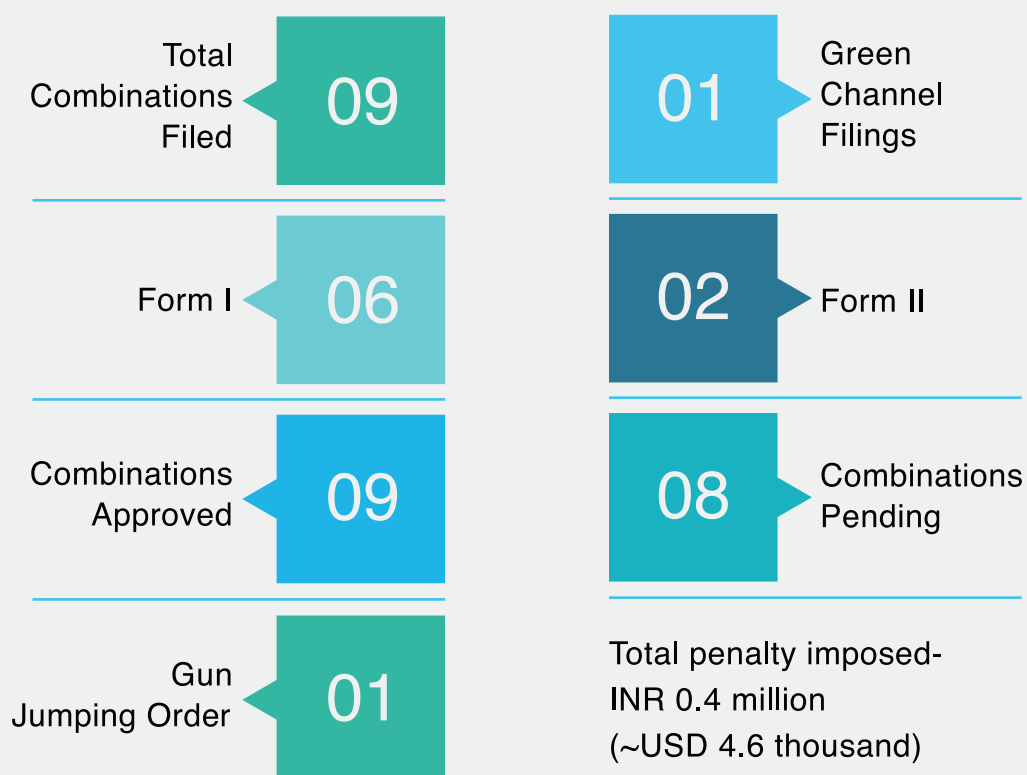
Readers will recall that the CCI had published the CCI (Settlement) Regulations, 2024 and the CCI (Commitment) Regulations, 2024 on March 7, 2024. These regulations offer parties under investigation a swift mechanism to propose commitments or settlements in cases involving anti-competitive vertical agreements and abuse of dominance. A commitment application can be filed within 45 days of a party receiving the CCI's *prima facie* order or before receipt of the DG report, whichever is earlier. A further extension of 30 days is also available for filing the commitment application, subject to the CCI's order.

Google's commitment application in this matter is the first reported commitment application before the CCI.

ELP's alert on the CCI order is available [here](#) and an alert on the settlement and commitment regulations is available [here](#).



Mergers and Acquisitions





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