



JSA Newsletter Competition Law

April and May 2025

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Supreme Court

Effects based analysis a must in abuse of dominance cases

On May 13, 2025, the Supreme Court of India (“SC”) passed a landmark judgment in the case of **Competition Commission of India v. Schott India Private Limited and Ors**, affirming the necessity of an effects-based analysis in abuse of dominance cases under Section 4 of the Competition Act, 2002 (as amended) (“**Competition Act**”). The SC also addressed emerging competition law issues including volume-based and functional rebates, the efficient competitor test, tie-in arrangements, and margin squeezes. It provided clear guidance, affirming that such practices are not inherently abusive if they are objectively justified.

Background

Schott India Private Limited (“**Schott India**”) produces 2 (two) types of borosilicate glass tubes i.e., Neutral Glass Clear (“**NGC**”) and Neutral Glass Amber (“**NGA**”) tubes, that are used to manufacture pharmaceutical containers such as ampoules and vials. Kapoor Glass Private Limited (“**Kapoor Glass**”), a converter, was one such manufacturer of pharmaceutical containers and procured borosilicate glass tubing from Schott India.

Schott India offered 2 (two) rebate schemes for converters: (a) volume-based discounts based on aggregated purchases of the NGC and the NGA tubes (“**Target Rebate**”) where higher discount was given with an increase in the quantity of tubes purchased; and (b) 8% discount to converters that, *inter alia*, met annual purchase plans and refrained from using Chinese tubes (“**Functional Rebate**”).

In 2008, Schott AG entered into a joint venture with Kaisha Manufacturers, forming Schott-Kaisha Private Limited (“**Schott Kaisha**”). Schott Kaisha agreed to source 80% of its requirements from Schott India for a price concession, price freeze for 3 (three) years and priority dispatch during tight supply (“**Supply Arrangement**”).

In 2010, Kapoor Glass, a competitor of Schott Kaisha, filed a complaint before the Competition Commission of India (“**CCI**”) alleging that Schott India has abused its dominant position by imposing unfair and discriminatory conditions in the supply borosilicate glass tubes. Kapoor Glass *inter alia* alleged that:

- a) Target Rebate created loyalty incentives and tied the NGC and the NGA tubes;
- b) Functional Rebate restricted the use of lower-priced Chinese tubes;
- c) Supply Arrangement provided an unmatchable cost advantage to Schott Kaisha; and
- d) Supply Arrangement led to margin-squeeze.

After a detailed investigation, the CCI found Schott India guilty of abusing its dominant position and imposed a penalty of INR 5.6 crore (Indian Rupees five crore sixty-six lakh) (“**CCI Order**”). Aggrieved, Schott India challenged the CCI Order before the erstwhile Competition Law Appellate Tribunal which set aside the CCI Order and imposed a cost of INR 1 lakh (Indian Rupees one lakh) on Kapoor Glass (“**COMPAT Judgment**”).

The SC observations

Aggrieved by the COMPAT Judgment, the CCI and Kapoor Glass challenged it before the SC. However, the appeals were dismissed, with the SC holding, *inter alia*, that:

- a) **Target Rebate does not amount to discriminatory or exclusionary pricing:** Schott India employed a neutral, volume-based criterion applicable to all purchasers alike. These rebates were applied in slabs and were directly proportional to the quantity of the NGA and the NGC tubes purchased. Schott Kaisha was the only purchaser to

qualify for the highest slab, thereby receiving the maximum rebate. The SC also noted that there was no evidence indicating that these slabbed rebates resulted in market foreclosure or restricted access for other suppliers.

- b) **Functional Rebate are not unfair:** The SC observed that: (i) the purchase-plan ensured furnace efficiency and load stability; (ii) the 'no-Chinese tubing' clause, initially based on chemical analysis, was later withdrawn by Schott India; and (iii) the trademark conditions aligned with standard licensing practices. Each requirement was objectively and proportionately justified by legitimate concerns for patient safety and brand integrity. There was no evidence to indicate foreclosure of rivals or suppression of output.
- c) **No margin-squeeze:** Margin-squeeze occurs when a vertically integrated firm fixes the wholesale input price so high, and its own downstream price so low, that downstream rivals, though equally efficient, cannot earn a viable margin. The 3 (three) conditions to be met for margin-squeeze are: (i) the respondent must itself operate in the downstream market; (ii) the wholesale-to-retail spread must be insufficient for an equally efficient competitor; and (iii) the compression must threaten competitive harm. In the instant case: (i) Schott India was not present in the downstream market i.e., market for sale of pharmaceutical containers; (ii) the wholesale-to-retail spread left rivals with sustainable margins; and (iii) the market exhibited neither exit nor price elevation.
- d) **Schott India did not tie the NGA with the NGC tubes:** The NGA and the NGC tubes were not independent products and were alternative specifications of the same input. Accepting the justification provided by Schott India, the SC observed that aggregation of the NGA and the NGC tubes smoothened demand and secured continuous load and did not amount to anti-competitive tying.
- e) **Effects-based harm is an essential component of abuse of dominance inquiry:** The CCI undertook no credible assessment of harm as it *inter alia* relied on untested statements. Further, there were stable downstream prices, absence of market foreclosure and a lack of Appreciable Adverse Effect on Competition (“AAEC”). Accordingly, the SC noted that an effects-based analysis is an obligatory component of every abuse of dominance inquiry, which had not been applied in the present case by the CCI.
- f) **Denial of cross-examination:** Denial of cross-examination to Schott India by the CCI rendered the proceedings procedurally defective. By electing to proceed on untested assertions, the CCI deprived itself of the material needed for a legally sustainable finding and placed Schott India under an evidentiary handicap, contrary to the principles of natural justice.

Accordingly, the SC upheld the COMPAT Judgment and quashed the CCI Order, imposing a cost of INR 5 lakh (Indian Rupees five lakh) on Kapoor Glass for its unsubstantiated nature of allegations and prolonged litigation.

(Source: SC Judgment dated May 13, 2025)

High Court

Kerala High Court affirms CCI's jurisdiction over competition issues in the broadcasting sector

The Kerala High Court (“KHC”) dismissed the writ petitions filed by Star India Private Limited (“**Star India**”), Asianet Star Communications Private Limited (“**Asianet**”), and Disney Broadcasting (India) Private Limited (together referred to as the “**Petitioners**”), which challenged the jurisdiction of the CCI. The KHC affirmed the CCI's jurisdiction to investigate allegations of abuse of dominant position against Star India in the broadcasting sector.

Background

On January 31, 2022, Asianet filed a complaint against the Petitioners for abusing their dominant position. Asianet *inter alia* alleged that Star India offered additional discounts to Kerala Communications Cable Limited, a competitor of Asianet, in violation of the maximum discount limits set by Telecom Regulatory Authority of India (“**TRAI**”) regulations. On February 28, 2022, the CCI directed the Director General (“**DG**”) to investigate the matter (“**CCI Order**”).

Aggrieved, the Petitioners challenged the CCI Order before the Bombay High Court (“**BHC**”), which was dismissed on the ground of lack of territorial jurisdiction.

The Petitioners then approached the KHC, again challenging the CCI’s jurisdiction. They argued that: (a) the complaint before the CCI related to violations of the TRAI regulations; and (b) the TRAI Act, 1997 (“**TRAI Act**”) governs broadcasting sector including issues of competition. Accordingly, the TRAI Act, being the special law, should prevail over the Competition Act.

The KHC observations

- a) Both the Competition Act and the TRAI Act are specialised legislations, operating in distinct spheres. While some overlap may exist, particularly in the telecom and broadcasting sectors, the TRAI Act does not contain specific provisions to address anti-competitive practices. Therefore, such matters fall within the domain of the CCI.
- b) The CCI has primary jurisdiction to examine allegations of abuse of dominant position under Section 4 of the Competition Act, such as those raised against Star India. In contrast, the TRAI’s jurisdiction is confined to matters involving non-compliance with licensing terms or violations of its regulations and tariff orders. Thus, regulatory issues and competition issues fall within separate statutory mandates.

Accordingly, the KHC dismissed the writ petitions.

(Source: Kerala High Court Judgment dated May 28, 2025)

Competition Commission of India

Enforcement

CCI imposes penalty on UFO Moviez India Limited and others for anti-competitive practices

On April 16, 2025, the CCI found UFO Moviez India Limited (“**UFO**”), its wholly owned subsidiary Scrabble Digital Limited (“**Scrabble**”), and Qube Cinema Technologies Private Limited (“**Qube**”) guilty of indulging in anti-competitive practices in violation of Section 3(4) of the Competition Act which deals with vertical restrictions.

Background

UFO and Qube supply Digital Cinema Equipment (“**DCE**”) to Cinema Theatre Owners (“**CTOs**”) to enable CTOs to display film content. For this, the film content needs to undergo certain Post-production Processing (“**Processing**”) services to make it compliant with the DCE.

The complainants¹ *inter alia* alleged that UFO and Qube imposed restrictive clauses in the DCE lease agreements with CTOs such that CTOs: (a) could obtain content only from UFO (through Scrabble) and Qube, thereby imposing tie-in arrangements; (b) were prevented from approaching other Processing service providers thereby imposing exclusive supply agreements; and (c) could not play film content on the DCE which were processed by other Processing service providers thereby indulging in refusal to deal. Basis the allegations and evidence provided, the CCI directed the DG to investigate the alleged conduct ("**Prima Facie Order**"). Summary of the Prima Facie Order is available at [JSA Competition Law Newsletter \(September 2021\)](#).

The DG examined the conduct of the opposite parties in the markets for the: (a) supply of DCE on lease/rent to CTOs; and (b) Processing Services ("**Processing Market**") and *inter alia* noted that UFO and Qube enjoy market power in the market for the supply of DCE on lease/rent to CTOs basis: (a) their market shares of 40% and 48% respectively; and (b) other factors such as widespread presence across India, significant presence in multiplexes compared to competitors, vertical integration in other markets, etc. The DG concluded that the opposite parties indulged in tie-in arrangements, exclusive supply and refusal to deal thereby, resulting in AAEC in India, in violation of Section 3(4) of the Competition Act.

The CCI observations

On the relevant markets, the CCI agreed with the DG, however, since the allegation was with respect to the supply of Digital Cinema Initiative ("**DCI**")² compliant DCE on lease/rent to CTOs in India ("**DCE Market**"), the CCI analysed the conduct of the opposite parties in the DCE Market. It also agreed with the DG's findings on market power and vertical restrictions imposed by opposite parties and *inter alia* noted as follows:

1. **Tie-in Arrangement:** (i) While leasing DCE to CTOs, UFO insists that CTOs must avail Processing services only from its subsidiary i.e., Scrabble resulting in tie-in arrangement leading to promotion of Scrabble's Processing services business; and (ii) Qube insists on retaining the right to supply processed film content to the CTOs which display the same on the DCE leased from Qube resulted in tie-in arrangement.
2. **Exclusive supply agreement:** In the DCE lease agreements, UFO and Qube imposed exclusivity conditions restricting CTOs from procuring film content processed by any other Processing service providers for displaying on the DCE leased from UFO and Qube. This resulted in exclusive supply agreements; and
3. **Refusal to deal:** DCE supplied by UFO and Qube technologically precluded film content supplied by any other Processing service provider, forcing CTOs to procure film content processed by UFO (through Scrabble) and Qube only. This results in a refusal to deal in the Processing Market.

The CCI directed the opposite parties not to re-enter lease agreements with CTOs imposing restrictions and modified the existing lease agreements. It also imposed a monetary penalty of INR 1.04 crore (Indian Rupees one crore and four lakh) on UFO and Scrabble and Rupees INR 1.66 crore (Indian Rupees one crore and sixty-six lakh) on Qube.

(Source: CCI order dated April 16, 2025)

CCI dismisses complaint filed against Canara Bank Limited for alleged abuse of dominant position

The CCI received a complaint against Canara Bank Limited ("**Canara Bank**") for allegedly abusing its dominant position and entering into anti-competitive agreements, in contravention of Sections 3 and 4 of the Competition Act.

¹ The complainants are: (a) PF Digital Media Services Limited, which is engaged in post-production processing of films. It converts cinematograph films from their traditional format to digital format. It's a subsidiary of Prime Focus Limited; and (b) Mr. Ravinder Walia, producer of films.

² It is an association of all major film producers.

Background

The complainant³ obtained financial assistance from Canara Bank for setting up a 3 (three) mega-watt solar power plant. It *inter alia* alleged that Canara Bank abused its dominant position by: (i) arbitrarily increasing the interest rate; (ii) retrospectively increasing the interest rate from 11% to 14.45% citing an internal bank error; and (iii) obstructing loan transfer to competing banks by withholding collateral documents.

The CCI observations

The CCI defined the relevant market as the market for the ‘provision of banking and loan services in India’ and held that Canara Bank, with a market share of 5.73%, is not dominant in the said market.

The CCI *inter alia* noted that: (a) changes in the interest rates were based on contractually agreed upon risk and financial parameters, by the parties; (b) back interest charges stemmed from an internal bank error and constituted a contractual dispute between the parties and was not a competition law concern; and (c) withholding collateral documents until full loan repayment is a standard banking practice.

Accordingly, the CCI rejected the allegations and dismissed the complaint.

(Source: CCI order dated May 19, 2025)

Merger control

CCI imposes penalty on Mudhra group for gun-jumping

On January 3, 2024, Matrix Pharma Private Limited (“**Acquirer**”), along with Kotak Strategic Situations India Fund II and Kotak Alternate Asset Managers Limited (together referred to as the “**Kotak Investors**”), filed a notice with the CCI seeking its approval for: (a) the proposed acquisition of 100% shareholding in Tianish Laboratories Private Limited by the Acquirer (referred to as the “**Proposed Acquisition**”); and (b) subscription of Optionally Convertible Debentures (“**OCDs**”) of the Acquirer by the Kotak Investors (together referred to as, the “**Original Notice**”). The CCI approved the transaction in February 2024 (“**CCI Approval**”).

The Original Notice disclosed that the Acquirer was directly owned and controlled by Mr. Venkata Pranav Reddy Gunupati (“**Pranav**”) and his wife, Ms. Swati Reddy Gunupati (“**Swati**”), who together held 99.26% shareholding in the Acquirer.

In April and May, the structure of the Proposed Acquisition undergone changes, as mentioned below:

1. **Kingsman funding:** Kingsman Wealth Fund PCC (“**Kingsman**”) subscribed to compulsorily convertible preference shares (“**CCPS**”) of Mudhra Lifesciences Private Limited (“**Mudhra Lifesciences**”) (referred to as the “**Kingsman Funding**”). The Kingsman Funding was deemed approved under the Green Channel in April 2024 and was deemed approved on the same date.
2. **Acquirer funding:** Mudhra Lifesciences and Mudhra Pharmacorp LLP (“**Mudhra Pharmacorp**”) invested in Mudhra Labs Private Limited (“**Mudhra Labs**”), which in turn invested in the Acquirer (referred to as the “**Acquirer Funding**”). The Acquirer Funding was completed in April 2024 and was undertaken to provide the necessary capital to the Acquirer to undertake the Proposed Acquisition.

³ The complainant is M/s KSD Zonne Energie LLP, which, is engaged in manufacturing electricity, gas, steam, air conditioning supply and electric power generation using solar energy.

3. **Pranav investment:** Subsequently, Pranav acquired 100% shareholding in Mudhra Lifesciences (“**Pranav Investment**”). Upon conversion of the CCPS, Pranav and Kingsman will hold 57.25% and 42.75% shareholding, respectively, in Mudhra Lifesciences.
4. **Capital contribution in Mudhra Pharmacorp:** The partners of Mudra Pharmacorp i.e., Pranav, Govipuri Infra LLP, and Ms. Sujatha Ravuri, contributed capital to Mudhra Pharmacorp (“**Capital Contribution**”). Pursuant to the Capital Contribution, Pranav got the right to control and manage the affairs of Mudhra Pharmacorp.
5. **Proposed Kotak funding:** Kotak Investors’ subscription to OCDs of Mudra Labs to fund the Proposed Acquisition (“**Proposed Kotak Funding**”).

The Acquirer Funding, Pranav Investment, and Capital Contribution are collectively referred to as the “**Transactions**”.

Amended notice

On April 23, 2024, the parties filed a fresh notice seeking the CCI approval for the Proposed Acquisition, Proposed Kotak Funding, Kingsman Funding, and the Acquirer Funding (“**Amended Notice**”), which was approved on May 28, 2024. However, prior to filing the same, the Transactions had already been consummated. Accordingly, the CCI issued a show-cause notice to the parties.

The CCI observations

The CCI *inter alia* noted as follows:

1. **Material structural changes:** Initially, the Acquirer was directly owned and controlled by Pranav and Swati. Pursuant to the Transactions, Swati ceased to be a shareholder, and additional entities—including Kingsman, Govipuri Infra LLP, and Ms. Sujatha Ravuri—acquired indirect ownership interests in the Acquirer, although Pranav continued to be a person exercising control. These changes were not captured in the Original Notice.
2. **Single notice requirement:** Since all the steps of the transaction were inter-connected, a single notice ought to have been filed covering all the steps i.e., the Transactions, Kingsman Funding, Proposed Kotak Funding, and Proposed Acquisition.
3. The Kingsman Funding was implemented only after obtaining the CCI approval and was therefore not found to violate gun-jumping provisions. The Proposed Kotak Funding was never implemented, remaining pending the CCI approval, and the Kotak Investors had no visibility into the completion of the Acquirer or Kingsman Fundings. As such, they were also not found to be in violation of gun-jumping.

After considering the mitigating factors, the CCI imposed a nominal penalty of INR 5 lakh (Indian Rupees five lakh) on Pranav, Govipuri Infra LLP, Ms. Sujatha Ravuri, Mudhra Lifesciences and Mudhra Pharmacorp, collectively.

(Source: CCI order dated March 7, 2025)

CCI approves 21 (twenty-one) combinations in April and May 2025 including:

1. Acquisition of shareholding of Haldiram Snacks Food Private Limited by Jongsong Investments Pte. Ltd (Temasek).
2. Acquisition of shareholding of Bajaj Allianz Life Insurance Company, Bajaj Allianz General Insurance Company and Bajaj Allianz Financial Distributors Limited by Baja Finserv Limited, Bajaj Holdings & Investment Limited and Jamnalal Sons Private Limited.
3. Acquisition of shareholding of Batlivala & Karani Securities Private Limited and Batlivala & Karani Finserv Private Limited by 360 One WAM Limited.
4. Acquisition of shareholding of EPL Limited by Indorama Netherlands B.V.
5. Acquisition of shareholding of HealthCare Global Enterprises Limited by KKR.
6. Acquisition of certain business of Hindustan Coca-Cola Beverage Private Limited by Kandhari Global Beverages Private Limited.
7. Acquisition of shareholding of Bharti Axa Life Insurance Company Limited and Bharti Life Ventures Private Limited by 360 ONE Private Equity Fund.
8. Acquisition of shareholding of API Holdings Limited by 360 ONE Private Equity Fund and Claypond Capital Partners Private Limited.
9. Merger of Quality Care India Limited into Aster DM Healthcare Limited.
10. Acquisition of shareholding of Shriram Asset Management Company Limited by Sanlam Engineering Market (Mauritius) Limited.
11. Acquisition of shareholding of a holding company owning 100% of Milacron Marketing Company LLC by BCSS Iota (A), LLC under green channel.
12. Acquisition of shareholding of SmartShift Logistics Solution Private Limited by Wellington Hadley Harbor AIV II Master Investors (Cayman) III, Ltd under green channel.

(Source: CCI website)

Competition Practice

Since the inception of the Indian competition regime, JSA has been a one-stop shop for all types of competition and anti-trust-related matters with its dedicated competition law practice group. The Competition team at JSA advises on all aspects of the Indian competition law including merger control, cartels, leniency, abuse of dominance, dawn raid, compliance, and other areas of complex antitrust litigation. Given the team's continued involvement with the regulator, coupled with its balanced and practical approach to competition law, it has been instrumental in shaping the competition law jurisprudence in India.

On the **enforcement/ litigation**, the team's in-depth understanding of antitrust and the competition law, coupled with its commercially focused litigation skills has been the cornerstone on which it deals with matters relating to abuse of dominance, vertical restraints, and cartelisation (including leniency and dawn raid) before CCI and appellate courts. On the **merger control**, the team helps clients navigate the merger control and assessment process including obtaining approval of CCI in Green Channel Form, Form I and Form II.

The team regularly advises clients on general competition law issues arising from day-to-day business strategies and conducts competition compliance programs. Notably, the team has conducted forensic reviews of documents and created step-by-step procedures for companies on how to respond to both internal antitrust violations as well as investigations by the regulator, including dawn raids.

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18 Practices and
41 Ranked Lawyers



7 Ranked Practices,
21 Ranked Lawyers



14 Practices and
12 Ranked Lawyers



12 Practices and 50 Ranked
Lawyers



20 Practices and
22 Ranked Lawyers



8 Practices and
10 Ranked Lawyers
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