



Competition Commission of India finds conduct and practice of coal and sand transportation companies to be in contravention of the Competition Law; The parties have been directed to cease and desist from indulging in anti-competitive conduct; A total penalty of Rs. 11,81,71,260 imposed on the ten parties; Penalty also imposed on the eight officials of the said parties who were found to be liable in terms of Section 48 of the Act.

Posted On: 14 SEP 2017 6:36PM by PIB Delhi

The Informant, Western Coalfields Limited, had approached Competition Commission of India (Commission) alleging bid-rigging by SSV Coal Carriers Private Limited, M/s Bimal Kumar Khandelwal, M/s Pravin Transport, M/s Khandelwal Transport, M/s Khandelwal Earth Movers, M/s Khanduja Coal Transport Co., M/s Punya Coal Road Lines, M/s B. Himmatlal Agrawal, M/s Punjab Transport Co. and Avaneesh Logistics Private Limited, upon noticing identical price quotes given by them in four tenders floated for coal and sand transportation. It was alleged that the conduct of submitting identical bids at higher rates is a blatant act of bid rigging.

The case was investigated by the Director General, Competition Commission of India (CCI) who found these parties in violation of Section 3(3)(d) of the Act. The Commission after hearing the parties concluded that they were in agreement to fix prices resulting in bid-rigging in the tenders floated by the Informant. In its order, the Commission noted that such conduct in public procurement besides defeating the tendering process, has an adverse impact on the process of competition resulting in deprivation of efficient outcomes that would have followed otherwise.

The Commission has held the said parties to be in contravention of the provisions of Section 3(3)(d) of the Act. Further, the Commission has also found eight officials of the said parties to be liable in terms of Section 48 of the Act being responsible for running the business or for being a part of the impugned conduct.

Resultantly, the Commission passed the following orders:

- The parties have been directed to cease and desist from indulging in anti-competitive conduct.
- A total penalty of Rs. 11,81,71,260 (Eleven Crores Eighty One Lacs Seventy One Thousand Two Hundred & Sixty) has been imposed on the ten parties, calculated at the rate of 4% of their average turnover during the last three financial years. The Commission has also imposed penalty on the eight officials of the said parties who were found to be liable in terms of Section 48 of the Act.

Detailed order of CCI can be accessed on its website www.cci.gov.in.

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