



CCI issues order against Grasim Industries Limited, Aditya Birla Chemicals (India) Ltd. and Gujarat Alkalies and Chemicals Ltd. for bid rigging Delhi Jal Board tenders for supply of Poly Aluminium Chloride; Imposes penalty of Rs. 2.30 crore, Rs. 2.09 crore and Rs. 1.88 crore upon GIL, ABCIL and GACL for the anti-competitive conduct.

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The Competition Commission of India (CCI) has found Grasim Industries Limited (GIL), Aditya Birla Chemicals (India) Ltd. (ABCIL) and Gujarat Alkalies and Chemicals Ltd. (GACL) to be in contravention of the provisions of Section 3(1) read with Section 3(3)(d) of the Competition Act, 2002 for rigging Delhi Jal Board tenders which were floated for procurement of Poly Aluminium Chloride (PAC) which is used for purification of water.

The final order has been passed today on a reference filed by Delhi Jal Board (DJB).

While rejecting the plea of being single economic entity taken by GIL and ABCIL, CCI noted in the order that these two companies are not only separate legal entities but also have participated in these tenders individually and separately. Further, CCI noted that the concept of single economic entity has no application in the context of the proceedings initiated under Section 3(3) of the Act, especially in a case of bid rigging/collusive bidding.

Apart from issuing a cease and desist order against the above companies, CCI has imposed a penalty of Rs. 2.30 crore, Rs. 2.09 crore and Rs. 1.88 crore upon GIL, ABCIL and GACL for the anti-competitive conduct. The penalty has been levied @ 8 % of the average relevant turnover of GIL and ABCIL of preceding three years. In case of GACL, penalty has been levied @ 6 % of the average relevant turnover of preceding three years. The conduct of GIL and ABCIL was noted by the Commission as egregious as these companies while apparently submitting separate bids, prepared and finalised the same through common channels creating a façade of competitive landscape.

Vide separate order passed in another reference filed by DJB in respect of alleged bid rigging in the tenders floated for Liquid Chlorine- another chemical used for purification of water, CCI found no contravention as no analysis was done by the Director General with respect to basic price, transportation cost, taxes and policy of profit margin of the parties as was done in the previous reference.

A copy of the CCI's order passed in Ref. Case Nos. 03 & 04 of 2013 has been uploaded on the website of CCI at www.cci.gov.in.

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