



COMPETITION COMMISSION OF INDIA

Case No. 90 of 2015

In Re

**M/s Manas Enterprises,
Through its Proprietor Shri Ajay Kumar,
B-21/304, Ram Ganga Nagar, Dohra Road,
Bareilly, Uttar Pradesh**

Informant

And

**Child Safety India
Heritage Building, City Light,
Surat, Gujarat**

Opposite Party

CORAM

**Mr. Ashok Chawla
Chairperson**

**Mr. S. L. Bunker
Member**

**Mr. Sudhir Mital
Member**

**Mr. U. C. Nahta
Member**



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Mr. M. S. Sahoo

Member



Mr. Justice (Retd.) G.P. Mittal

Member

Order under section 26(2) of the Competition Act, 2002

1. The present information has been filed under section 19(1)(a) of the Competition Act, 2002 (hereinafter, the 'Act') by M/s Manas Enterprises (hereinafter, the 'Informant') against Child Safety India (hereinafter, OP) alleging, *inter alia*, contravention of the provisions of sections 3 and 4 of the Act.
2. It is stated that the Informant deals with Student Attendance Management System (SAMS) and has been buying the same from the OP as a package.
3. It is alleged that the OP is taking undue advantage of its dominant position and as a result, it is refusing to provide invoices of taxes paid, demanding excess amounts for the period in which service were not provided. In the event of refusal to pay such amounts by the Informant, the OP has threatened the Informant with adverse consequences including market denial and handing over the existing school accounts/business from Informant to other players in the market.
4. The Informant made a demand for invoice for service tax paid to the OP for the year 2014-15 on 29.07.2015. However, instead of acceding the aforesaid demand, the OP had blocked the Informant's account arbitrarily on 31.07.2015. The Informant has further alleged that the OP, being a dominant player, was charging excessive prices for its software and services. Allegedly, the OP was charging Rs. 65/- per card from the Informant and as against the normal price of such cards which ranges from Rs. 12/- to Rs. 20/- per card. Further, once the business



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(contract) was procured by the Informant from the educational institutions, the OP excludes the Informant and directly deal with the educational institutions by adopting un-fair business ethics.

5. The Informant has further alleged that OP is providing the RFID based school attendance system as a complete kit, which comprises of the cloud server, application, RFID devices, RFID proximity cards *etc.* However, to maintain its dominant position, OP is not providing the technical details like software development kit of reader, proximity cards *etc.* Moreover, the readers supplied by the OP do not read other cards available in the market. Due to non-availability of technical specifications, other cards cannot be used with the systems. As a result of its strong position, it has been alleged that the OP is not supplying the software/hardware on time and even demanding payments for the period during which it did not render services.
6. Based on above allegation, the Informant has alleged that OP has abused its dominant position, which is in the contravention of the provisions of section 3 and 4 of the Act. Therefore, the Informant has prayed to the Commission to direct OP to stop its anti-competitive practice, mentioned above.
7. The Commission has perused the information and material available in public domain. The Informant appears to be primarily aggrieved by the conduct of OP, which has allegedly abused its dominant position, *inter alia*, by refusing to provide invoices of taxes paid and demanded excess amounts for the period where services were actually not provided.
8. As per the Commission, the present case is about a web based attendance system which uses a RFID based identity card that enables the students to mark their entry and exit, resulting in sending an instant text message to their parent's mobile



phone. The school authorities can also access the real-time attendance of the students from anywhere, as it is a complete web-based attendance system.

9. Before proceedings with the analysis of the above issues, it would be relevant to briefly discuss about the *Radio Frequency Identification Technology* (RFID) and its applicability in the present case. As per the averments and the information available in the public domain, the Radio Frequency Identification, or RFID, is a generic term for technologies that use radio waves to automatically identify people or objects. There are several methods of identification, but the most common is to store a serial number that identifies a person or object, and perhaps other information, on a microchip that is attached to an antenna (the chip and the antenna together are called an RFID transponder or an RFID tag). The antenna enables the chip to transmit the identified information to a reader. The reader then converts the radio waves reflected from the RFID tag into digital information and passes to server which can make use of it. Apart from attendance management system, RFID technology is *inter alia* used for tracking pets, cattle, infants in hospitals, elderly patients suffering from memory disorders like Amnesia, Alzheimer's, tracking goods in manufacturing production line and supply chain, controlling access to buildings, payment systems that let customers pay for items without using cash *etc.*
10. The Commission notes that the present case mainly pertains to procurement of RFID based attendance system for educational institutions. The usage of such attendance system is however, not confined to educational institutions but also by other organisations since this technology for maintaining the attendance is not restricted to the educational institution but could be used by other organizations. In view of the aforesaid, the relevant product market appears to be the '*market of RFID based attendance management system*'. Based on information available in public domain, it is observed that there are many suppliers across India providing these services. The Commission notes that RFID based attendance management



सत्यमेव जयते



services can be obtained by a user from suppliers across India without any difficulty and cost implications. Thus, it appears that the conditions of competition are homogeneous across India. Hence, the Commission is of the view that the relevant geographic market would be *India*. Accordingly, the relevant market in the instant case is identified as the '*market for provision of RFID based attendance management system in India*'.

11. As per information available in public domain, there are several other manufacturers/service providers who are engaged in the supply of similar RFID technology based attendance system. Some of them are: Pulse Seventeen¹, Beta Smart Schooling², Smart Attendance System³, MicroTronics Technologies⁴, Coresonant⁵, Rasilant Technologies Private Limited⁶, Empire Infocom Private Limited⁷ and Nelso Technologies⁸ etc. Thus, it is apparent that there are several other players in the relevant market, as mentioned above, providing similar services as being provided by the OP. Further, the information also did not throw any light on the dominance of the OP in the relevant market. As such, the OP cannot be said to be a dominant enterprise in the relevant market as identified above. Thus, the assertion of the Informant that the OP enjoys a dominant position is not made out. In the absence of dominance of OP in the relevant market, its conduct need not be examined under the provisions of the section 4 of the Act.

12. As regards, the contravention of section 3 of the Act is concerned, the Informant has not pressed any allegations under section 3 of the Act. However, on

¹ www.pulse17.com

² www.smartschooling.co.in

³ <http://www.smartattendancesystem.com/>

⁴ <http://www.projects8051.com/rfid-based-attendance-management-system/>

⁵ <http://www.coresonant.com/html/student-attendance-system-manufacturers.html>

⁶ www.rasilant.com

⁷ www.empireinfocom.com/India

⁸ www.nelsotech.com



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examination of information, the Commission did not come across any facts or documents, which establishes a case under section 3 of the Act.

13. In the light of the above analysis, the Commission finds that no case of contravention of the provisions of section 3 and/or 4 of the Act has been made out against OP. Accordingly, the matter is closed herewith.

14. The Secretary is directed to inform the parties accordingly.

Sd/-
(Ashok Chawla)
Chairperson

Sd/-
(S. L. Bunker)
Member

Sd/-
(Sudhir Mital)
Member

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(U. C. Nahta)
Member

Sd/-
(M. S. Sahoo)
Member

Sd/-
(Justice (Retd.) G.P. Mittal)
Member

New Delhi

Date: 17.11.2015