



COMPETITION COMMISSION OF INDIA

Case No. 86 of 2015

In Re

**Mr. Vimal Singh Rajput
E-84/119, Rajiv Gandhi J. J. Camp
Chitra Vihar, Delhi**

Informant

And

**Maruti Suzuki India Ltd.
Corporate Office-1, Nelson Mandela Marg
Vasant Kunj, New Delhi**

Opposite Party

CORAM

**Mr. Ashok Chawla
Chairperson**

**Mr. Sudhir Mital
Member**

**Mr. Augustine Peter
Member**

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

**Mr. M. S. Sahoo
Member**

**Mr. Justice G. P. Mittal
Member**

Present: Mr. K. K. Sharma, Mr. Tanveer Verma and Mr. Dhananjay Kashyap,
Advocates for the Informant.

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

1. The instant information has been filed by Mr. Vimal Singh Rajput (**Informant**) against Maruti Suzuki India Ltd. (**OP**) under section 19(1)(a) of the Competition



Act, 2002 (**Act**) alleging, *inter alia*, contravention of the provisions of section 4 of the Act.

2. As per the information,
 - a. The Informant is an individual residing in Delhi.
 - b. OP is a public company having its registered office in Delhi and engaged, *inter alia*, in the manufacture and sale of passenger cars throughout India. It manufactures cars at its manufacturing plants located in Gurgaon and Manesar and transports them to its showrooms/ outlets spread across the country through car carrier trucks (CCTs).
 - c. A CCT carries 8 to 10 cars at one go. It is owned / provided by third parties. It usually has a VTS (Vehicle Tracking System) device which enables the car manufacturers, including OP, to track the location and movement of CCT.
3. It has been submitted in the information that the transportation of cars through CCTs is efficient and safe in comparison to transportation of each car separately. By design, a CCT can carry only cars and cannot be used for any other purpose. Therefore, there is no substitutability either on the demand side or on the supply side. The cars are transported through CCTs all over India. Hence, the relevant market is the “market for purchase of service of bulk transportation of cars through car carrier trucks in India”.
4. It has been further submitted in the information that OP produces around 50% of cars in India. Since all cars are transported through CCTs, OP uses around 50% of car transport services through CCTs. Further, there are high barriers for entry in car manufacturing industry. Therefore, OP enjoys dominant position in the relevant market.
5. It has been alleged in the information that OP, being dominant in the relevant market, has imposed a number of unfair conditions and, therefore, violated the provisions of section 4(2)(a)(i), 4(2)(c) and 4(2)(d) of the Act. The unfair



conditions include: CCTs used by OP must install VTS devices supplied either by Trimble Trako or Efkon India Pvt. Ltd.; such VTS devices must be subscribed for at least 36 months; the subscription charges for VTS devices are excessive; etc.

6. In the light of above, the Informant has, *inter alia*, prayed to initiate an investigation under section 26 (1) of the Act against OP and direct OP to cease and desist from all anti-competitive activities.
7. The Commission heard the counsel for the Informant, in its ordinary meeting held on 26th November, 2015. It has carefully gone through the information, additional submission received on 30th November, 2015, and other materials available on record.
8. During the hearing on 26th November 2015, the Commission desired to have some indication about the size of the relevant market in terms of kilometers covered by CCTs in a year in India (CCT KMs) and the share of OP in such CCT KMs. Vide its additional submission, the Informant has stated that no such data is available in public domain.
9. Examination of conduct under section 4 of the Act requires determination of the relevant market. A CCT (or a similar carriers), which transports new cars, also transports old cars. It also transports other light vehicles. The relevant market, therefore, appears to be the market for transportation of light vehicles in India through CCTs, and not transportation of new cars through CCTs. These light vehicles are transported for different distances. Transporting a light vehicle from Manesar to Delhi is quite different from transporting the same from Delhi to Chennai. The appropriate measure for computing the size of market for transport of light vehicles in India is CCT KMs, *i.e.* the number of kilometres CCTs, which transport light vehicles, run in a year. No data about CCT KMs are available with the Commission. It makes no sense to use the number of new cars produced in a



year as a proxy for market for transport of light vehicles– cars and non-cars, old and new, short or long distances - through CCTs.

10. OP is a consumer of services of CCTs. It is not that OP transports all its cars through CCTs. Some cars may not even need transport as they are sold locally. It is also not that all cars are transported for the same distance. As stated earlier, CCTs are used for transport of light vehicles, including new and old cars. Therefore, share of OP in the manufacture of new cars is not synonymous with the share of OP in use of CCT services.

11. In the absence of the relevant data, the Commission attempted to find out, whether OP is a dominant user of services for transport of light vehicles through CCTs on the basis of available information. As per CMIE (Centre for Monitoring Indian Economy) data for 2014-15, a total of 32.20 lakh passenger cars were produced in India. OP has a market share of about 40% with a production of 13.08 cars in 2014-15. Further, as per state-wise data filed by the Informant, OP manufactures and sells more cars in the NCR than any other manufacturer of cars does. This reduces the share of OP in the transportation of new cars through CCTs. The share reduces further if the transport of other new light vehicles through CCTs is considered. It reduces further if the transport of old light vehicles is considered. Therefore, OP does not appear to be a dominant consumer in the relevant market. In the absence of dominance of OP, its conduct need not be examined under the provisions of the section 4 of the Act.

12. It may be noted that OP is a consumer of the services of CCTs for transporting its cars which are valuable assets. It needs to take care that the assets are properly secured and transported as per its business needs. It may need services of CCTs of a particular description in the sense that CCT uses a particular type of VTS. In comparison to the charges of CCTs, the subscription charge for VTS is



insignificant. Therefore, the act of OP securing its interests through use of a particular type of VTS cannot be considered anticompetitive.

13. In the light of the above analysis, the Commission finds that no case of contravention of the provisions of section 4 of the Act has been made out against OP. Accordingly, the matter is closed herewith in terms of section 26(2) of the Act.

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

Sd/-

(Ashok Chawla)
Chairperson

Sd/-

(Sudhir Mital)
Member

Sd/-

(Augustine Peter)
Member

Sd/-

(U. C. Nahta)
Member

Sd/-

(M. S. Sahoo)
Member

Sd/-

(Justice G. P. Mittal)
Member

New Delhi

Date: 07.01.2016