



## **1<sup>st</sup> CCI-Department of Laws, Panjab University National Moot Court Competition 2022**

The Department of Laws, Panjab University, Chandigarh in collaboration with the Competition Commission of India, is organizing its 1<sup>st</sup> CCI-Department of Laws, Panjab University National Moot Court Competition on 19<sup>th</sup> -20<sup>th</sup> November 2022.

**Coordinator:** Dr. Shipra Gupta, Associate Professor, Department of Laws, Panjab University, Chandigarh.

### **I ABOUT THE ORGANIZER**

The Department of Laws, Panjab University was originally established at Lahore in 1889, re-established at Shimla in 1948, and finally re-located at the University Campus at Chandigarh in 1959. Its Alumni include Judges of the Hon'ble Supreme Court and High Courts, Union Cabinet Ministers, State Chief Ministers, Cabinet Ministers, and other legal luminaries. The stature of the Department of Laws is as big as its strength and has a great legacy in terms of its research and academic work related to national and international relevance. The Department with utmost pleasure announces that it is organizing a National Moot Court Competition, and everyone is cordially invited to participate.

### **II ABOUT COMPETITION COMMISSION OF INDIA**

“To promote and sustain an enabling competition culture through engagement and enforcement that would inspire businesses to be fair, competitive and innovative; enhance consumer welfare, and support economic growth”. The Competition Act, 2002, as amended by the Competition (Amendment) Act, 2007, follows the philosophy of modern competition laws. The Act prohibits anti-competitive agreements, and abuse of dominant position by enterprises and regulates combinations (acquisition, acquiring of control, and M&A), which cause or are likely to cause an appreciable adverse effect on competition within India.

### **ABOUT THE MOOT**

Liberalization of the economic policies of the countries around the globe began in the eighties, and in the nineties, the participating countries entered the phase of globalization. The challenges brought with them a wide range of changes in terms of the competitive capabilities of the respective domestic

markets. Market-oriented reforms have become crucial both for developed and developing countries to achieve their development and growth goals. The goal of Competition Policy and Law is to keep such reforms going in a collusive world. Global competitiveness; increased investment; technological capabilities; and consumer welfare are urgently required. Competition policy establishes guidelines for market competition, with macroeconomic goals of growth and stability, and microeconomic goals of producer-consumer welfare. Since then, the Competition Act of 2002 has been effectively implemented in the desired direction. The Act aims to improve consumer welfare and the competitiveness of small businesses in comparison to large corporations. The Act prohibits abuse of dominance, anti-competitive agreements, and unfavorable combinations.

Competition law is a relatively new branch of the law that seeks to promote fair and just business practices. It governs market competition by monitoring for anti-competitive behavior and ensuring that market participants do not engage in it. Competition law which has evolved on a national level is modern and is thriving with the goal of promoting and maintaining fair-trade practices in domestic markets.

Law schools play an important role in instilling and encouraging the growth of competition law by hosting debates, panel discussions, and moot court competitions, as well as encouraging research and legal writing on the subject. As a result, the Department of Laws at Panjab University proposes to hold a two-day National Moot Court Competition on Competition Law.

### **III PARTICIPATION GUIDELINES**

- **Eligibility Criteria:**

- Students enrolled in a full-time Law Degree Programme i.e., Five-Years Integrated Law Degree Programme or Three-Year LL.B. Programme at the time of the competition are eligible to participate in the Competition.
- Each Law College/Law School/Law University shall nominate only one team. Thus, only one team will be eligible to participate from an Institution.
- The approval of the team for participation must be duly signed by the Head/Chairperson/Principal of the respective Institute and must be attached to the registration form.

- **Team Composition:**

- A team shall be comprised of Three Members i.e. Two Speakers and One Researcher. The Teams shall identify the speakers and researcher during registration and mention it too in the Approval Form.
- **Official Language:** The official language of the Competition shall be English only.
- **Dress Code:** The teams are required to follow a strict dress code as prescribed by the Bar Council of India for Advocates.

- **Team Codes** shall be allotted to the participants after their initial registration. On the day of Orientation Programme, the draw of lots shall be conducted.

#### **IV REGISTRATION PROCEDURE**

- The participants as a team are requested to register online from 24th September 2022 through this [Google form: https://docs.google.com/forms/d/1HtyuPH8gibtNxXYh8NK880pG0ixeMvAeKZwufEnTSyQ/edit?pli=1](https://docs.google.com/forms/d/1HtyuPH8gibtNxXYh8NK880pG0ixeMvAeKZwufEnTSyQ/edit?pli=1).
- A maximum of 32 teams will be allowed to participate in the competition. Slots for participating in the competition will be filled on a basis of 'First Come, First Serve Only'.
- Duly signed approval letter from the respective institution shall be required as part of the registration process. (Please refer to Annexure-A in the brochure for the format of the Approval letter).
- The first 32 teams who have successfully registered in accordance with the rules will be considered as final participants of the competition.
- After this initial registration, team codes shall be allotted and communicated on mail provided in the Form by the participants.
- The organizers will provide lodging to students.
- Only after filling google form and payment of registration fees, participation of teams shall be confirmed and the same shall be communicated on the e-mail ID given in the registration form.

#### **V IMPORTANT DATES**

- Commencement of Online Registration- 25<sup>th</sup> September 2022
- Last date for Online Registration along with registration fees – 31<sup>st</sup> October 2022
- Last date for seeking clarifications – 2<sup>nd</sup> November 2022
- Release of final clarifications- 4<sup>th</sup> November 2022
- Last Date for Submission of soft copy of memorials – 6<sup>th</sup> November 2022
- Last Date for Submission of hard copy of memorials – 10<sup>th</sup> November 2022
- Orientation- 18<sup>th</sup> November 2022, 7 P.M.
- Prelims & Quarters- 19<sup>th</sup> November 2022
- Semi-finals, Finals, Valedictory & Prize distribution- 20<sup>th</sup> November 2022

#### **VII AWARDS & CERTIFICATES**

- Winning Team- Cash prize of Rs. 40,000
- 1st Runners Up- Cash prize of Rs. 30,000
- Best Memorial- Cash prize of Rs. 12,000
- Best Speaker/Advocate- Cash prize of Rs. 10,000

Certificates of Participation shall be awarded to the participants on the completion of the Moot Court Competition.

## **VIII PAYMENT OF FEES**

The registration is subject to payment of registration fee of Rs. 3500/- payable by 31<sup>st</sup> October 2022 through NEFT/RTGS at:

- Payable To: Head Deptt of Law
- Account Number: 10444977656
- IFS Code: SBIN0000742
- Branch: SBI, Sector 14, Punjab University, Chandigarh

### **Note:**

1. For queries send an email to [mootcourt2@puhd.ac.in](mailto:mootcourt2@puhd.ac.in).

### **Organizing Team:**

Dr. Vibhuti Nakta, Part time Assistant Professor - 9882057412  
Mr. Meharpreet Singh, Guest Faculty – 9465380918

### **Student Coordinators:**

1. Revathy- 9074728811
2. Simranjit- 8360917720
3. Shivam Verma- 7888515069
4. Shilpa- 9599758409

## ANNEXURE A

### FORMAT OF APPROVAL LETTER

We hereby state that our participation is in compliance with the prescribed rules and regulations of the competition.

Details of the Institute:

Name & Address of the participating Institution:

Registered Email:

Contact Number:

#### Details of the Team Members

<b>Title</b>	<b>Name of Participants</b>	<b>Gender (M/F)</b>	<b>Course &amp; Year</b>	<b>Contact No.</b>	<b>Email</b>
<b>Speaker 1</b>					
<b>Speaker 2</b>					
<b>Researcher</b>					

Seal & Signature of the Head of the Institution

**1<sup>st</sup> CCI-Department of Laws, Panjab University**  
**National Moot Court Competition 2022**

**RULES**

**1<sup>st</sup> CCI-Department of Laws, Panjab University  
National Moot Court Competition 2022**

**I**

**INTRODUCTION**

1. This competition will be called as CCI-Department of Laws, Panjab University, 1st National Moot Court Competition 2022.
2. The Competition is scheduled to be held between 19<sup>th</sup>-20<sup>th</sup> November, 2022, at the Department of Laws, Panjab University, Chandigarh.
3. Dr. Shipra Gupta will be the ‘National Coordinator’ of the competition. The decision of the national coordinator with respect to the competition shall be final in all respects.
4. The Competition shall be conducted in accordance with these Rules, and all teams and participants shall be presumed to have read and understood these Rules.

**II**

**GENERAL**

5. Dress Code: The participating team shall adhere to the dress code:
  - A. Ladies: White salwar and kurta or white shirt and black pants or skirt along with black coat and black shoes; and
  - B. Gentlemen: White shirt, black trousers and black tie along with black coat and black shoes.
6. Language: The official language of the competition is English.

**III**

**ELIGIBILITY AND TEAM COMPOSITION**

7. Eligibility: The competition shall be open to students who are –
  1. Pursuing a 5-year integrated LL.B Degree Programme in India, or
  2. Pursuing a 3-year LL.B Programme in India.
8. Composition of teams: Each participating team shall consist of three members. The number of participants will not be more than three.
  - Teams shall specify name and order of the speakers and name of researcher at the time of registration and this cannot be changed later at any time during the competition.
  - Substitution of any team member or alteration of team composition is not allowed after the date of Final Registration except in extenuating circumstances and only with the permission of the Organising Committee.

## **IV**

### **STRUCTURE OF THE COMPETITION**

9. The competition will be held in rounds viz.

- Preliminary Round-1
- Preliminary Round-2
- Quarterfinal
- Semi-final
- Final Round

Each round consists of written submission (Memorial) and oral pleadings (Oral Round). For the purpose of this competition, each team shall submit memorials on behalf of Petitioner as well as Respondent.

10. Draw of Lots: The match up of teams in the preliminary round shall be determined on the basis of draw of lots.

11. Preliminary Rounds: In the preliminary round, the team shall argue from only one side. The side of the team shall be decided by way of lots.

12. Scoring in the Preliminary Rounds: The aggregate score of a team shall be computed as the total of -

- Score of speaker 1
- Score of speaker 2
- Score of the memorial

13. Arrangement of ranking: The teams in the preliminary rounds shall be ranked on the following basis: -

- a) The teams shall be first differentiated on their win-loss record after the Preliminary Rounds;
- b) If there is a tie, the team with the higher aggregate score will be allotted the higher rank;
- c) If the tie subsists, the team with the higher speaker score will be allotted the higher rank;
- d) If the tie still subsists, the team with the highest individual speaker score out of speakers of tied teams will be allotted the higher rank;
- e) If the tie still subsists, the team with the higher memorial score will be allotted higher rank.

14. The results of the Preliminary Rounds shall be declared soon after the conclusion of the Preliminary Rounds. Top 8 teams will qualify for the quarter final rounds. After the conclusion of the quarter final rounds top 4 teams as per the criteria will qualify for the Advanced Rounds i.e., Semi Finals and Finals.

15. Semi Finals:

- i. Teams from the Preliminary Round shall qualify for the Semi-Finals.
- ii. The team shall argue only one side in the semi-finals. The side of the team shall be decided by way of the draw of lots.
- iii. The semi-final shall be a knock-out round.
- iv. The win-loss shall be decided on the basis of the aggregate speaker score. No memorial score will be added in the semi-final. The win-loss shall be determined on the basis of the score so computed. The teams with higher aggregate score shall proceed to the final round.



16. Final Round: In the final rounds, the win-loss shall be decided on the basis of the aggregate speaker score.  
No memorial score will be added in the final round.

## V

### MEMORIALS

17. All requirements have to be strictly followed, failure to do the same will attract a penalty subject to the discretion of the organizers.
18. Each team must prepare memorials for both sides to the dispute (Petitioner and Respondent).
19. Submission of Hard copies of Memorial:
- Soft copies of the memorial from both sides (Petitioner and Respondent) should be sent to mootcourt2@puhcd.ac.in, on or before 6<sup>th</sup> November 2022.
  - On the day of the orientation i.e., 18<sup>th</sup> November, 2022 the participants must bring **4 hard copies of their memorials from both sides, 4 copies from the side of Petitioner and 4 copies from the side of Respondent.**
  - A penalty of 1 mark per hour per side shall be deducted in case of delay in submission of hard copy of memorials.
20. General conditions for Memorials:
- The memorials shall not contain any form of identification apart from the team code. In case any identification or mark, symbol, etc. which has the effect of identifying the team is found on the memorial, then it shall result in instant disqualification.
  - Petitioner memorials are required to have a **blue** cover and Respondent memorials are required to have a **red** cover.
  - A penalty of 1 mark per side shall be levied in case the team uses the wrong cover page for each side of the memorial.
21. Guidelines for formatting of Memorials
- Memorial Structure: The memorial must have only the following pages: -
    - Cover Page – The cover page shall contain the case title, side of the memorial, year of competition, name of the forum.
    - Table of Contents
    - List of Abbreviations
    - Index of Authorities
    - Statement of Jurisdiction
    - Statement of Facts
    - Issues Raised
    - Summary of Arguments
    - Pleadings/Arguments Advanced
    - Prayer

22. Team code allotted to the respective teams should be indicated on the top right corner of the cover.

23. Formatting of the Memorial:

- a. Structure of the Memorial: The memorial must be structured as instructed below— The Body of Arguments should not exceed 35 pages in total. The entire memorial including the cover page should not exceed 45 pages.
- b. The font of the body of the Memorial must be:
  - Times New Roman, size 12, with 1.5 line spacing, and the font size of footnotes, must be size 10 with single line spacing.
  - Use of endnotes is not permitted.
  - Headings and Titles must also have 12 font size in large caps.
- c. All teams are required to follow the 19th Bluebook edition style of citation.
- d. Pagination: The pagination must be done at the middle bottom of the page.

24. A margin of 1 inch should be left on all sides of the pages.

25. Criteria for evaluation of Memorial:

Sr. No	Marking Criteria	Marks Allotted
1.	Application of facts and knowledge	20
2.	Reasoning & Understanding of Law and Procedure	20
3.	Presentation and Formatting	15
4.	Extent and use of research	15
5.	Knowledge, Interpretation and Application of Law	15
6.	Use of Authorities and Precedents	15
	TOTAL	100

## VI

### REGISTRATION FOR THE COMPETITION

26. After this initial registration, team codes shall be allotted and communicated on mail provided in the form by the participants.

27. **Mode and Date of Registration:** The registration for this competition is to be filled in the e-form and the fees for each team participating shall be Rs. 3500/-.

28. The registration fee shall be payable by 31st October 2022 through NEFT/RTGS at:

- Payable To: Head Deptt. of Law
- Account Number: 10444977656
- IFS Code: SBIN0000742
- Branch: SBI, Sector 14, Punjab University, Chandigarh

29. After payment of registration fees the copy of receipt must also be sent to mail i.e., mootcourt2@pu.ac.in. **The payment of fees should include the following in the subject – “1st CCI-Department of Laws, Panjab University: [Institution Name]”.** The Final Registration will be confirmed only after the payment is made and the form is filled by October 31<sup>st</sup>, 2022.

30. **Allotment of team code:** Every team which has successfully completed the Registration requisites under the Rules shall be allotted a unique code after the closure of the Registration for the Competition. Once allotted, every team must use the team code for any communication with the Organizers during the course of the Competition. The team codes shall be allotted by 2<sup>nd</sup> November, 2022.

31. Registration shall be on first come-first serve basis: The registration for the competition shall be on a first come first serve basis. **Participation for the competition is capped at 32 teams.**

32. Consent letter from Participant's University: a consent form is required to be submitted by the participating teams duly signed and sealed by the head of the department. The hard copy is required to be produced on the day of orientation, soft copy is to be attached with the registration form.

## VII

### ROUNDS

#### 33. Preliminary Round-

- a. The preliminary rounds will be conducted on 19th October, 2022.
- b. The teams will be arranged and grouped based on drawing of lots to be held on 18<sup>th</sup> October, 2022. The lots so drawn will determine who will contest against whom and for which side the respective teams would put up their oral arguments.
- c. Every team shall argue twice in the Preliminary Rounds, once for the Petitioner and once for the Respondent.
- d. Each side shall get a maximum time of 30 minutes to present their arguments and no Speaker shall be permitted to address the Court for more than 15 minutes. The time limit is inclusive of the time for Rebuttal or Sur-rebuttal respectively.
- e. The maximum time for Rebuttal is 2 minutes and the maximum time for Sur-rebuttal is 2 minutes. Each speaker is required to speak for a minimum of 10 minutes exclusive of time taken for Rebuttals and Sur-rebuttals.
- f. The cumulative results shall be based on the aggregate score of the participating teams in the knock-out i.e., Preliminary Rounds and based on the aggregate score (memorial mark's plus marks secured through oral pleadings) and the same shall be declared after the preliminary rounds. If the total scores of both the

teams are tied, then the team with the higher memorial score, i.e., the score of the memorials without deducting penalties, will win the round. Teams winning both the preliminary rounds will go to the Quarter-final Round. If there are more than 8 teams that have won both the preliminary rounds, each of them will be ranked according to their Memorial scores and the top eight teams so ranked will go to the Quarter-final Round. If after ranking of the memorial scores, teams are still tied, the teams so tied will be ranked according to their total scores of Preliminary rounds (excluding memorial scores).

**34. Quarter Final Round -**

- a. The eight (8) teams that proceed to the Quarter Final Rounds, as determined by the Rules above, shall each argue only ONCE for the side allotted by draw of lots.
- b. Four (4) teams shall qualify for the Semi-Final Rounds on a knock out basis, i.e., the winner of each Quarter-Final Round shall qualify to the Semi-Final Rounds.
- c. The knockout will be decided based on the oral rounds only, but if the teams get tied, the team with higher memorial score, i.e., the score of the memorials without deducting penalties, will win the round.
- d. The maximum time for arguments per side shall be the same as in the Preliminary Rounds.

**35. Semi-Final Rounds-**

- a. The four teams that proceed to the Semi-Final Rounds, as determined by the Rules above, shall each argue only ONCE for the side allotted by draw of lots.
- b. Two (2) teams shall qualify for the Final Round on a knock out basis, i.e., the winner of each Semi-Final Rounds shall qualify to the Final Round.
- c. The knockout will be decided based on the oral rounds only. However, in case of a tie, the team with higher gross memorials score, i.e., the score of the memorials without deducting penalties, will win the round.
- d. Each side shall get a maximum time of 45 minutes to present their arguments of which no Speaker shall be permitted to address the Court for more than 25 minutes. The time limit is inclusive of the time for Rebuttal or Sur-rebuttal, respectively. The maximum time for Rebuttal is 5 minutes and the maximum time for Sur-rebuttal is 2 minutes. Each speaker is required to speak for a minimum of 20 minutes exclusive of time taken for Rebuttals and Sur-rebuttal.

**36. Final Round-**

- a. The two (2) teams that proceed to the Final Round, as determined by the Rules above, shall each argue only ONCE for the side allotted by draw of lots.
- b. The team which wins the Final Round shall be declared as the 'Best Team'.
- c. The other team shall be declared as the 'Runners-Up'. If there is a tie, the team with higher memorial score, i.e., the score of the memorials without deducting penalties, will win the round.
- d. The maximum time for arguments per side shall be the same as in the Semi-Final Rounds.

37. Marking Criteria for the oral rounds-

Sr. No.	Criteria	Marks allotted
1.	Knowledge and application of law and facts	20
2.	Ingenuity and ability to answer questions	20
3.	Style, Court Craft, Advocacy skills and Demeanor	20
4.	Organization and flow of arguments	20
5.	Time Management	20
	Total	100

## VIII AWARDS

38. Awards will be distributed in the following categories:

- Team which wins the final round will be adjudged as the 'Winner of the CCI-Moot' and will get an amount of Rs. 40,000/- along with a trophy. The team which secures second place will get 'Runners-up' title and Rs. 30,000/- as prize along with a trophy.
- Best Memorial- Team with the highest memorial score (aggregate) will get the 'Best Memorial' prize along with a cash prize of Rs. 12,000/-.
- Best Speaker/Advocate- The speaker who secures the highest score (average) at the conclusion of the Preliminary Rounds will get an award for the 'Best Speaker/Advocate' with a cash prize of Rs.10,000/- and a trophy.

**Note: It is necessary to argue for both sides in the preliminary rounds in order to be eligible for the 'Best Speaker Award'.**

## VIII MISCELLANEOUS

39. Each team shall prepare a Petitioner and a Respondent Written Submission. Teams must send the **soft copy** of the Written Submissions as an email attachment by **11:59 PM** on or before **November 6<sup>th</sup>, 2022**. The soft copies should be sent to mootcourt2@puchd.ac.in with the heading "**1<sup>st</sup> CCI Department of Laws, Panjab University: Memorial submission [Team Code]**". The software used should be Microsoft Word 2007 or above or compatible software. **Entries in PDF format will not be accepted.**
40. Lodging for teams will be provided by the organizers as per requirement, separately for the male and female participants. The participants must notify the requirement for accommodation latest by 6<sup>th</sup> November, 2022 by sending an email on mootcourt2@puchd.ac.in with the heading "**1<sup>st</sup> CCI Department of Laws, Panjab University: Lodging [Team Code]**".
41. **Code of Conduct-** A violation of the prescribed Code of Conduct will invite sanctions which will be

decided by the Competition Administrator/organizers. Following rules of conduct are to be followed by the participants at all times:

- i. Teams are expected to behave with other team members and the Judges/ Organizers/ Volunteers in a dignified manner.
- ii. Teams should not attempt to influence Judges/ Organizers in any manner.
- iii. Participants are expected to maintain decorum in the court during the Competition and to conduct themselves in a manner befitting the legal profession.
- iv. The teams should not engage in any form of unethical, unprofessional and wrongful conduct during the entire period of the Competition.

**Scouting- Scouting by the speakers, researcher, or any other person affiliated with a team will lead to the immediate disqualification of such a team.** Scouting shall be deemed to have happened if any person affiliated with a team is found:

- a. Witnessing, hearing, observing, etc. the oral submissions in a round, except where the round is one in which the team to which he/she is affiliated is participating; or reading a memorandum of a team except where:
  - It is of the team to which he/she is affiliated; or
  - The memoranda have been obtained on account of an exchange of memoranda prior to a round of the team to which he/she is affiliated.
- v. If any one of the members of a team is notified or informed of any detail or information concerning the Competition, it shall be deemed as if the said team as a whole has been duly notified or informed.
- vi. Panjab University will share the copyright for the memorials submitted by the teams. The acceptance of such vesting is a precondition for participation in the competition.
- vii. If any unplanned or unexpected contingencies arise, the Organizing Committee will address them and the Organizing Committee's judgment in this regard shall be final. Acceptance of the Organizing Committee's decisions is a precondition for participation in the Competition.
- viii. The Proposition is not meant to resemble any incident or person, alive or dead, and it makes no attempt to do so. Any resemblance between the two is simply accidental. The Proposition is a made-up factual narrative created solely for the purpose of the Competition, and it makes no attempt to influence or anticipate the conclusion of any topic.
- ix. **Delay in appearance in the courtroom for more than 10 minutes shall amount to disqualification of the team which is late.**
- x. There should be no indication of the institutions which the team represents, or the name of the members in the memorials or any other material carried inside the courtroom. The teams must also not disclose such information during the oral rounds. The teams should not attempt to disclose such information to the Judges,

or any other person as decided by the Competition Administrator/organizers, for the entire duration of the Moot Court Competition. **The violation of this rule will cause severe penalty, which may involve disqualification, as determined by the Competition Administrator/organizers.**

## **IX**

### **FINALITY OF DECISION**

- The decision of the judge shall be final and binding. The organizers reserve the right to amend the rules of the Competition.

#### **For Queries and Clarifications**

#### **Contact following:**

- **Faculty Coordinator:** Dr. Shipra Gupta, Associate Prof., Department of Laws, Panjab University, Chandigarh.

- **Organising Team:**

Dr. Vibhuti Nakta, Part-Time Assistant Professor, Department of Laws, Panjab University  
Mr. Meharpreet Singh, Guest Faculty, Department of Laws, Panjab University

- **Student Coordinators:**

1. Revathy- 9074728811
2. Simranjit- 8360917720
3. Shilpa- 9599758409

#### **Important Dates:**

Commencement of Online Registration	25 <sup>th</sup> September 2022
Last date for Online Registration along with Registration fees	31 <sup>st</sup> October 2022
Last date for seeking clarifications	2 <sup>nd</sup> November 2022
Release of final clarifications	4 <sup>th</sup> November 2022
Last Date for Submission of soft copy of memorials	6 <sup>th</sup> November 2022
Last Date for Submission of hard copy of memorials	10 <sup>th</sup> November 2022
Orientation	18 <sup>th</sup> November, 2022 at 7:00 p.m.
Prelims & Quarters	19 <sup>th</sup> November 2022
Semi-finals, Finals, Valedictory & Prize distribution	20 <sup>th</sup> November 2022

## MOOT PROPOSITION

1. Floormart Inc. is an American multinational retail corporation that operates the world's largest network of hypermarkets and discount department stores through its various subsidiaries. It had average global revenue of approximately USD 600 billion in FY 2021-22. It entered India in 2009 through a wholly owned Indian subsidiary, Floormart India Private Limited (FIPL). FIPL has the license to operate only wholesale grocery stores in India. However, it is common knowledge that individual buyers are permitted to shop at these wholesale stores, after registering themselves as wholesale buyers, even though it is against the license conditions of FIPL.<sup>1</sup>
2. Orange Phones is a Japanese manufacturer of smartphones. Floormart Inc. is the global exclusive seller of Orange Phones. It is quite popular with working professionals because of its security features. Orange Phones' markets share for various categories of smartphones is as under:
  - High-end/ Flagship smartphones (price in excess of INR 50,000) – 45%.
  - Mid-range smartphones (price between INR 20,000 to 50,000) – 30%.
  - Economy smartphones (price less than INR 20,000) – 20%.
3. It is important to note here that Orange Phones smartphones that are sold below INR 50,000 are generally old-generation smartphones. All new generation smartphones of Orange Phones are priced in excess of INR 50,000.
4. In order to increase its presence in the online retail market, Floormart Inc. acquired a 49% stake in an India online retail company Launchkart Private Limited (LPL). While the effective 'control' and day-to-day management of LPL still vests in its founders, LPL enjoys veto rights with respect to LPL entering into any new business venture.
5. LPL's market shares in the markets for online sales of various categories of smartphones in India are as under:
  - High-end/ Flagship smartphones (price in excess of INR 50,000) – 35%.
  - Mid-range smartphones (price between INR 20,000 to 50,000) – 33%.
  - Economy smartphones (price less than INR 20,000) – 45%.
6. However, LPL has been able to significantly increase its market shares during discount seasons by offering high discounts, which sometimes are below the average variable cost of production of these smartphones.

<sup>1</sup> Such buyers are issued an identity card.



During the last Deepawali discount sales, LPL's market shares for the aforesaid category of smartphones were as under:

- High-end/ Flagship smartphones (price in excess of INR 50,000) – 50%.
- Mid-range smartphones (price between INR 20,000 to 50,000) – 54%.
- Economy smartphones (price less than INR 20,000) – 50%.

7. Marvel Inc. is a European multinational technology company that focuses on e-commerce. It operates the website and applications for the online sale of various products including smartphones. It is widely considered to be the world's and India's largest online seller. One of the reasons for Marvel Inc.'s fast growth is its logistics management which allows it to deliver products to its consumers much faster than its competitors. Marvel Inc.'s market share in the markets for online sales of various category of smartphones in India are as under:

- High-end/ Flagship smartphones (price in excess of INR 50,000) – 40%.
- Mid-range smartphones (price between INR 20,000 to 50,000) – 42%.
- Economy smartphones (price less than INR 20,000) – 45%.

8. During the last Deepawali discount sales, Marvel Inc's market share increased only by 5% over its normal sales.

9. Panja Phones is an Indian manufacturer of smartphones that has seen tremendous success in the smartphone market in India in recent years. It is quite popular with teenagers and college students. Panja Phones' market share for various categories of smartphones is as under:

- High-end/ Flagship smartphones (price in excess of INR 50,000) – 25%.
- Mid-range smartphones (price between INR 20,000 to 50,000) – 35%.
- Economy smartphones (price less than INR 20,000) – 40%.

\* Marvel Inc. is the exclusive online seller for Panja Phones.

10. In order to exploit their complementarities in online and offline sales, Floormart Inc. and Marvel Inc. have entered into a joint venture agreement vide which Marvel Inc. will be the exclusive online seller for FIPL's registered wholesale buyers. Based on an economic assessment carried out by an economic consultancy firm hired by Floormart, the said joint venture will have efficiency gains and reduce logistics cost for Floormart Inc. by almost 5%. Internal documents show that Floormart Inc. is willing to pass on 60% of the benefits accrued due to the aforesaid efficiency gains to the consumer.

11. Concerned by this development, the Competition Commission of India has decided to take suo moto notice of this issue and inquire into the conduct of the aforesaid parties. The issues before the CCI are as under:

- What is the relevant market(s)?
- Do the exclusive sale agreements between Floormart Inc. and Orange Phones and between Marvel Inc. and Panja phones violate section 3(1) read with section 3(4) of the Competition Act, 2002?
- Does the joint venture agreement between Floormart Inc. and Marvel Inc. violate section 3 of the Competition Act, 2002?
- Is LPL engaging in predatory pricing during Deepawali discount sales and violating section 4 of the Competition Act, 2002?

