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In the latest edition of the Competition Law Newsletter, we cover CCI's Market Study on India's Artificial Intelligence Boom, and significant orders passed by the Competition Commission of India (**Commission/CCI**), National Company Law Appellate Tribunal (**NCLAT**), and the Hon'ble Supreme Court of India.

SUPREME COURT REFUSES TO ENTERTAIN ASIAN PAINT'S PETITION

As covered in our [Newsletter – October 2025](#), the Hon'ble Bombay High Court, on [11 September 2025](#), dismissed a Writ Petition filed by Asian Paints Limited (**Asian Paints**) challenging the CCI's *prima facie* order dated [1 July 2025](#), directing the Director General (**DG**) to investigate into the alleged abuse of dominance by Asian Paints.

Asian Paints approached the Supreme Court and argued that it faced repeated scrutiny whenever a new player entered the market and that the CCI's actions were procedurally flawed. However, the Supreme Court dismissed the appeal at the threshold on [3 October 2025](#) and allowed Asian Paints to withdraw its petition. This clears the way for the CCI's Director General (DG) to investigate the alleged abuse – the second time a new entrant has complained of abusive conduct by Asian Paints, the first being JSW in 2019-20

NCLAT'S RULING CREATES A PATENT ANTITRUST SHIELD

The NCLAT, vide order dated [30 October 2025](#), dismissed the appeal filed by Mr. Swapan Dey against [CCI's closure](#) of a case concerning alleged anti-competitive conduct by Vifor International AG regarding its patented Ferric Carboxymaltose (**FCM**) injection. The NCLAT upheld the CCI's view that Vifor's licensing agreements with Indian companies did not contain unreasonably anti-competitive terms. However, the Tribunal's primary rationale for dismissal was a jurisdictional one, holding that the Patents Act, 1970, as a special statute, prevails over the Competition Act, 2002 in matters concerning the exercise of patent rights. This conclusion was based on the NCLAT's reading of the Delhi High Court's [2023 judgment](#) in the Ericsson case and the subsequent Supreme Court [September 2025 order](#) which dismissed the CCI's appeal in that matter – covered in our [October 2025 Newsletter](#).

This ruling, however, is based on a fundamental misreading of the Supreme Court's order and sets a dangerous precedent. The Supreme Court, in its order, explicitly declined to interfere in the Ericsson case based on the fact the parties had settled their differences, and it expressly kept all questions of law

open for adjudication in an appropriate future case. By treating this fact-specific dismissal as a binding affirmation of the legal principle that the Patents Act ousts the CCI's jurisdiction, the NCLAT appears to have committed a significant legal error. This interpretation effectively creates a patent exception to antitrust law, granting patent holders a dangerous immunity from scrutiny for potentially abusive practices under the Competition Act. These precedent risks causing substantial harm to market competition and consumer welfare, particularly in critical sectors like pharmaceuticals by protecting them from essential antitrust oversight.

CCI DISMISSES ABUSE OF DOMINANCE CASE AGAINST GOOGLE, UPHOLDS PLAY STORE ACCOUNT TERMINATION

The CCI, vide order dated [06 October 2025](#), dismissed the allegations of abuse of dominant position filed by Liberty Infospace Private Limited (**Informant**) against Alphabet Inc., Google LLC, and Google India Private Limited (**collectively, Google**) under Section 26(2) of the Competition Act, 2002.

The CCI delineated the relevant market as the "*market for app stores for Android OS in India*" and reaffirmed that Google holds a dominant position in this market consistent with its earlier precedents.

On the allegations of abuse, the Informant contended that Google's unilateral termination of its developer account without specific reasons, coupled with opaque and automated enforcement and appeal processes, constituted unfair and discriminatory conduct under Section 4 of the Act. Google defended its actions by citing its Relation Ban Policy, which aims to prevent circumvention of enforcement by developers associated with previously terminated accounts. Google asserted that the termination was based on objective evidence linking the Informant's account to a previously banned account and that its appeal process, combining automated and human review, was fair, consistent, and applied uniformly globally.

The CCI found that Google's policies and enforcement actions were reasonable and non-discriminatory. It noted that the Informant had significant ties to another individual whose account had previously been terminated for good cause, and that Google had provided sufficient reasoning within

the bounds of its policy to protect platform integrity. The Commission also observed that standard form contracts like the Google Play Developer Distribution Agreement are common in the industry and had previously been examined without finding contravention of the Act.

Accordingly, the CCI held that no prima facie case of abuse of dominance was made out and closed the matter.

CCI EXEMPTS INTRA-GROUP TRANSFER OF LENSKART AND CARE HOLDINGS BY KEDAARA FUND

In an interesting turn of events, the CCI, vide order dated [08 September 2025](#), determined that the proposed acquisition of 1.64% equity shareholding in Lenskart Solutions Limited (**Lenskart**) and the acquisition of shares in Care Health Insurance Limited (**Care**) by Kedaara II Continuation Fund (**Acquirer**) from other entities within the Kedaara Group were eligible for an exemption and did not require formal approval under Section 6(2) of the Competition Act, 2002.

The CCI noted that the transactions constituted an intra-group restructuring where the ultimate control of both Lenskart and Care would remain solely with the Kedaara Group both before and after the acquisitions, with no acquisition of new rights or material influence. The Acquirer had initially filed the notice for technical compliance, arguing that the transaction did not meet a strict literal interpretation of the exemption criteria under Rule 3 of the Competition (Criteria of Exemption of Combination) Rules, 2024, as it did not involve an 'incremental' acquisition of shares. However, the CCI observed that it would be inconsistent with the scheme and spirit of the Act and the Exemption Rules. The Commission concluded that since all substantive conditions of Rule 3 were fulfilled, the transactions were exempt from notification requirements. The CCI also left open the question of whether the two transactions were inter-connected, as each qualified for exemption on a standalone basis.

CCI CLEARS COROMANDEL INTERNATIONAL'S ACQUISITION OF NACL INDUSTRIES

The CCI, vide order dated [01 July 2025](#), approved the acquisition of up to 78.98% of the voting share capital of NACL Industries Limited (**NACL**) by Coromandel International Limited (**CIL**).

The CCI noted that the parties are primarily engaged in the agrochemical sector. Based on the business of

the parties, the CCI observed that the parties exhibit horizontal overlaps in the markets for the manufacture and supply of various Crop Protection Products (**CPPs**), such as insecticides, herbicides, and fungicides, and in the market for the manufacture and supply of the Active Ingredient 'Profenofos'. The combined market share of the parties was found to be less than 10% in most CPP markets and in the range of 25-30% in the narrow Profenofos market. However, given the presence of other significant competitors and low barriers to entry in the Profenofos market, the CCI concluded that the overlaps are not likely to raise any competition concerns.

In terms of vertical overlaps, the CCI noted that the combination created linkages where CIL supplies active ingredients to the downstream market for CPP manufacture, in which NACL operates, and vice-versa. A potential vertical relationship was also identified in the upstream market for the manufacture of CPPs by NACL and the downstream market for the distribution of CPPs by CIL through its retail stores.

The CCI, having considered the vertical overlaps, observed that these linkages were not significant enough to cause any foreclosure concerns, especially given the presence of various competitors in both the upstream and downstream markets in India and approved the combination.

AI'S DOUBLE-EDGED SWORD: CCI STUDY HIGHLIGHTS INNOVATION AND COMPETITION RISKS IN INDIA

The CCI, in partnership with the Management Development Institute, conducted a comprehensive [Market Study](#) to understand the implications of Artificial Intelligence (**AI**) for competition dynamics in India. The study analysed AI ecosystem, identifying emerging competition issues, and provided a roadmap for fostering a competitive and innovative AI market in the country.

The Study noted that the AI ecosystem is structured as a multi-layered 'stack' with upstream layers (data, infrastructure, and foundational models) dominated by global Big Tech firms, while Indian players, primarily startups, are concentrated in the downstream application development layer, heavily relying on open-source technologies.

AI adoption is rapidly accelerating across key user industries such as retail, e-commerce, logistics, marketing, banking, and healthcare. Businesses are leveraging AI for dynamic pricing, personalized recommendations, demand forecasting, fraud detection, and operational automation, which provides significant competitive advantages in

efficiency and customer engagement, potentially leaving non-adopters at a severe disadvantage.

The study identifies certain critical competition concerns, including:

- (a) High barriers to entry, with startups citing limited access to quality data, the high cost of cloud computing, and a scarcity of skilled talent and funding as major obstacles.
- (b) Risk of algorithmic collusion, where self-learning pricing algorithms could independently learn to set supra-competitive prices without explicit human coordination.
- (c) The potential for AI to facilitate abuses of dominance, such as self-preferencing by platforms, predatory pricing, and anti-competitive tying and bundling of services.

Furthermore, the proliferation of opaque 'black-box' algorithms reduces market transparency, making it difficult to detect anti-competitive behaviour, while the wave of acquisitions of AI startups by large incumbents raises concerns about market concentration.

Globally, regulatory frameworks are evolving to address these challenges, with jurisdictions like the European Union and the United Kingdom implementing comprehensive AI and digital market regulations. In India, the primary legal instrument remains the Competition Act, 2002, which was strengthened by the 2023 Amendment.

To promote a competitive AI ecosystem, the CCI proposes a multi-pronged action plan. This includes encouraging enterprises to conduct self-audits of their AI systems for competition compliance and adopt transparency measures to reduce information asymmetry. The CCI also intends to engage in focused advocacy through workshops and conferences to sensitize stakeholders.

The action plan further emphasizes the need to remove entry barriers by improving access to data, computing infrastructure, and funding for startups and MSMEs. The CCI commits to building its own regulatory capacity by developing specialized technical expertise and setting up a think tank. Lastly, the plan also calls for enhanced inter-regulatory coordination within India and active international cooperation to effectively

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