



SECOND VERDICT BY CCI UNDER THE LENIENCY REGULATIONS

April 2019

Second verdict by CCI under the Leniency Regulations

On April 19, 2018, CCI entertained an application for leniency filed by Panasonic Energy India Company Ltd. (“**Panasonic**”, part of Panasonic Corporation, Japan) in a matter where Panasonic plead for lesser penalty whilst disclosing that it was operating a cartel along with Eveready Industries India Ltd. (“**Eveready**”) and Indo National Limited (“**Nippo**”) concerning manipulation and/or distortion of production, price, sale, supply and distribution of zinc-carbon dry batteries sold by them, which was a mutually beneficial arrangement for the entities. It is pertinent to note that even the managerial personnel of the aforesaid entities were directly instrumental in achieving cartelisation. It is also noteworthy that the Association of Indian Dry Cell Manufacturers (“**AIDCM**”) was an active participant to the cartel and its activities. Accordingly, penalties were also imposed on the said personnel and the AIDCM. CCI accorded 100% reduction in the penalty imposed under the Act in case of Panasonic, as it was the first entity to approach the CCI and had made full disclosure of all incriminating facts, and cooperated with the CCI expeditiously thereby facilitating efficient resolution of the contravention. Eveready and Nippo approached the CCI thereafter, i.e. after Panasonic had already approached the CCI and were granted 30% and 20% reduction in penalties, respectively.

PSA view: Though this is only the second verdict emanating from the said Leniency Regulations, it bears testimony to the fact that the Regulations and CCI’s approach in their interpretation is a step in the right direction. One can safely assume that if Panasonic had not come forward under the said Regulations, it could have taken much longer before an informant alleged cartelisation before the CCI especially since the cartel had already been operating since the past 6 years. Therefore, CCI has made a positive statement, which would encourage enterprises, more so, those that have foreign parent companies, to come forward, accept their defaults and strike a bargain with the CCI.

Contributing Author

Varun Kalsi



