

Course Code - CLCL7001		
Course Name - Competition Law		
Semester - II		
Q1	Low difficulty level questions: (Word Limit 30-50)	<b>Marks</b>
I	What is an “Agreement” under the Act?	<b>5</b>
II	Define the term cartel.	<b>5</b>
III	What consequence will follow if parties give effect to a combination before CCI has approved the combination?	<b>5</b>
IV	Explain the term Bid Rigging.	<b>5</b>
V	What do you understand by Rule per Se and Rule of Reason?	<b>5</b>
VI	What is Predatory Pricing?	<b>5</b>
Q 2	Mid difficulty level questions; (Word Limit 100-150)	
I	A, B & C all engaged in manufacturing and marketing car tyres informally agreed to sell their car tyres at uniform price of Rs. 1240 per tyre. This informal understanding continued for six months and they had a turnover of rupees 1 crore, 1.5 crores and 2 crores respectively under this arrangement. The competition commission of India instituted an enquiry into the agreement suo moto. A, B and C contended before the CCI that there was no formal agreement and no formal complaint from any aggrieved consumer and urged the quashing of the enquiry. Are these contentions tenable? Is cartelisation indicated? What orders can be passed by the CCI? Enumerate the conditions conducive to formation of cartels	<b>10</b>
II	Describe the powers and Function of CCI. Or Discuss and appraise the decision of Brahm Dutt vs Union of India.	<b>10</b>
III	What orders can the CCI pass in case of anti-competitive agreements and abuse of dominant position? Or Identify and examine, the intricacies and conflicts between the domain of IPRs and competition law.	<b>10</b>
IV	Compare and contrast the differences between horizontal agreements and vertical agreements. Or Write a short note on competition advocacy.	<b>10</b>
V	A pharmaceutical company got patented its capsules, meant to normalize Blood Pressure. It enjoyed leadership in the relevant market. There was no acceptable alternative to the capsules. The company, without any justifiable reason, decided to halve the production and raised the price to twice its original price. Competition Commission of India instituted an enquiry for alleged violation of Section 4 of Competition Act,2002. The company contended that it cannot be compelled on the quantity to be produced nor be compelled to sell at a particular price. Will the defence of the company sustain or fail? Examine. Also enlist the factors considered by CCI while determining Abuse of Dominant position.	<b>10</b>
Q 3	High difficulty level questions; (Word Limit 300-500)	

I	<p><b>Brief Facts of the Case-</b> On 06.05.2014, the Competition Commission of India received a notice under sub-section (2) of Section 6 of the Competition Act, 2002 given by Sun Pharmaceutical Industries Limited And Ranbaxy Laboratories Limited. The Notice was filed with the Commission pursuant to (a) a scheme of arrangement approved on 06.04.2014 by the respective board of directors of Sun Pharma and Ranbaxy under Sections 391 -394 and other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013 (b) Transaction agreement executed between the Parties on 06.04.2014 and (c) Investor agreement executed on 06.04.2014 between Sun Pharma and Daiichi Sankyo Company Limited, which holds approximately 63.40 per cent of the outstanding shares of Ranbaxy.</p> <p><b>PARTIES TO THE COMBINATION</b></p> <p>Sun Pharma is an integrated specialty pharmaceutical company. It manufactures and markets a large basket of pharmaceutical formulations as branded generics in India, USA and several other markets across the world. The key therapy areas of Sun Pharma are central nervous system, dermatology, cardiology, orthopaedics, ophthalmology, gastroenterology, nephrology, etc. It is also inter alia engaged in manufacture and sale of active pharmaceutical ingredients (APIs). Ranbaxy is a vertically integrated company that inter alia develops manufactures and markets generic, branded generic, over-the-counter (OTC) products, APIs and intermediates. It has a presence in many therapy areas including anti-infectives, cardiovascular, pain management, central nervous system, gastrointestinal, respiratory, dermatology, orthopaedics, nutritionals and urology. Ranbaxy holds 46.79 per cent equity in Zenotech Laboratories Limited (“Zenotech”) which is stated to be a pharmaceutical company engaged in development, manufacture and supply of injectible products having portfolio of niche therapies like chemical oncology and biotechnology products from bacterial and mamilian cell-culture.</p> <p><b>PROPOSED COMBINATION</b></p> <p>Post combination, the existing shareholders of Ranbaxy will hold approx. 14 per cent of the equity share capital of the Merged Entity on a pro forma basis. As stated by the Parties, pursuant to the proposed combination, the promoter group of Sun Pharma is expected to own approx. 54.7 per cent equity share capital of the Merged Entity. Further, as Ranbaxy holds 46.79 per cent equity share capital of Zenotech, the proposed combination would result in acquisition of this 46.79 per cent equity share capital of Zenotech by Sun Pharma from Ranbaxy. Zenotech is a listed company and as per the details given in the Notice, in terms of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011, Sun Pharma has announced an open offer for 28.10 per cent equity share capital of Zenotech through the public announcement dated 11.04.2014 to be commenced after the merger of Ranbaxy into Sun Pharma.</p> <p>A) In the light of given facts, what steps did the CCI take for investigating the proposed combination? Did CCI approve the Transaction? Critically evaluate the order of CCI in this case.</p> <p>B) Explain the process of determining relevant market in combination cases by CCI and why it is an important step in a merger review? What orders the commission can pass in case of a combination?</p>	20
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